

Department of Homeland Security

Office of Inspector General

Budget Overview



Fiscal Year 2020
Congressional Justification

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**Office of Inspector General
Appropriation Organization Structure**

Organization Name	Level	Fund Type (* Includes Defense Funding)
Office of Inspector General	Component	
Operations and Support	Appropriation	Discretionary - Appropriation

**Office of Inspector General
Strategic Context**

Component Overview

The Office of the Inspector General does not have performance measures in the DHS Strategic or Management measures sets. Therefore, there is no performance related information to report for a Strategic Context.

**Office of Inspector General
Budget Comparison and Adjustments**

Budget Comparison with FY 2019 Annualized CR

Organization <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 Annualized CR	FY 2019 President's Budget	FY 2020 President's Budget
Operations and Support	\$168,000	\$168,000	\$138,369	\$170,186
Transfer from FEMA Disaster Relief Fund (DRF)	-	-	\$24,000	-
Total	\$168,000	\$168,000	\$162,369	\$170,186

Office of Inspector General Comparison of Budget Authority and Request¹

Organization <i>(Dollars in Thousands)</i>	FY 2018 Enacted			FY 2019 President's Budget			FY 2020 President's Budget			FY 2019 to FY 2020 Total Changes		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Operations and Support	760	760	\$168,000	613	613	\$138,369	773	745	\$170,186	160	132	\$31,817
Net Discretionary	760	760	\$168,000	613	613	\$138,369	773	745	\$170,186	160	132	\$31,817
Transfer from FEMA - DRF	-	-	-	102	102	\$24,000	-	-	-	(102)	(102)	(\$24,000)
Total Gross Discretionary	760	760	\$168,000	715	715	\$162,369	773	745	\$170,186	58	30	\$7,817
Subtotal Discretionary - Appropriation	760	760	\$168,000	715	715	\$162,369	773	745	\$170,186	58	30	\$7,817

¹ The FY 2018 supplemental appropriation and the FY 2019 enacted amount are not reflected in the FTE or funding totals in the associated tables.

Component Budget Overview

For FY 2020, the Department of Homeland Security (DHS) Office of Inspector General (OIG) requests \$170.2M in total gross budget authority. This represents an increase of \$7.8M over the FY 2019 President’s Budget.

The DHS OIG conducts and supervises independent audits, inspections, and investigations and recommends ways for DHS to carry out its vital responsibilities in the most effective, efficient, and economical manner possible. The OIG seeks to deter, identify, and address fraud, abuse, mismanagement, and waste of taxpayer funds invested in homeland security.

The OIG is an independent entity to which employees, contractors, and the public can report fraud, waste, and abuse that affects the Department. Results of our findings are reported to the DHS Secretary, Congress, and the public, when appropriate. The OIG seeks to ensure improved transparency, accountability, and efficiency across the Department.

Additional information, including the Inspector General’s congressional testimony, may be accessed through our website at: www.oig.dhs.gov.

Office of Inspector General Budget Authority and Obligations

Budget Authority <i>(Dollars in Thousands)</i>	FY 2018	FY 2019	FY 2020
Enacted/Request	\$168,000	\$138,369	\$170,186
Carryover and/or Recoveries (Actual/Estimates/Projections)	\$1,925	\$20,925	\$5,925
Rescissions to Current Year/Budget Year	-	-	-
Net Sequestered Resources	-	-	-
Supplementals	\$35,000	-	-
Total Budget Authority	\$204,925	\$159,294	\$176,111
Transfer from FEMA – DRF	-	\$24,000	-
Collections – Reimbursable Resources	\$18,000	\$18,000	\$18,000
Total Budget Resources	\$222,925	\$201,294	\$194,111
Obligations (Actual/Estimates/Projections) ¹	\$202,000	\$195,369	\$194,111
Personnel: Positions and FTE			
Enacted/Request Positions	760	715	773
Enacted/Request FTE	760	715	745
Onboard and Actual FTE; Includes Collections - Reimbursable Resources			
Onboard (Actual/Estimates/Projections) ²	760	715	773
FTE (Actual/Estimates/Projections) ²	747	715	745

¹ FY 2018 supplemental obligations and projections for FY 2019 and FY 2020 are \$10 million, \$15 million, and \$10 million, respectively.

² The FY 2019 projections for Onboard and FTE include 102 positions and 102 FTE associated with the \$24M transfer from DRF Base Funds.

**Office of Inspector General
Collections - Reimbursable Resources**

Collections <i>(Dollars in Thousands)</i>		FY 2018 Enacted			FY 2019 President's Budget			FY 2020 President's Budget			FY 2019 to FY 2020 Change		
		Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Department of Homeland Security - Departmental Management and Operations	Source	-	-	\$18,000	-	-	\$18,000	-	-	\$18,000	-	-	-
Operations and Support	Location	-	-	\$18,000	-	-	\$18,000	-	-	\$18,000	-	-	-
Total Collections		-	-	\$18,000	-	-	\$18,000	-	-	\$18,000	-	-	-

**Office of Inspector General
Personnel Compensation and Benefits**

Pay Summary

Organization <i>(Dollars in Thousands)</i>	FY 2018 Enacted				FY 2019 President's Budget				FY 2020 President's Budget				FY 2019 to FY 2020 Total			
	Pos.	FTE	Amount	Rate	Pos.	FTE	Amount	Rate	Pos.	FTE	Amount	Rate	Pos.	FTE	Amount	Rate
Operations and Support	760	760	\$124,347	\$163.61	613	613	\$99,901	\$162.97	773	745	\$123,465	\$165.72	160	132	\$23,564	-
Transfer from FEMA – DRF	-	-	-	-	102	102	\$18,000	\$176.47	-	-	-	-	(102)	(102)	(\$18,000)	-
Total	760	760	\$124,347	\$163.61	715	715	\$117,901	\$164.89	773	745	\$123,465	\$165.72	58	30	\$5,564	\$0.83
Discretionary - Appropriation	760	760	\$124,347	\$163.61	715	715	\$117,901	\$164.89	773	745	\$123,465	\$165.72	58	30	\$5,564	\$0.83

* The FTE Rate calculation does not include Object Class 11.8-Special Personal Services Payments or 13.0-Benefits for Former Personnel.

Pay by Object Class

Pay Object Classes <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget*	FY 2020 President's Budget	FY 2019 - FY 2020 Change
11.1 Full-time Permanent	\$82,406	\$78,134	\$81,027	\$2,893
11.3 Other than Full-Time Permanent	\$1,309	\$1,241	\$1,241	-
11.5 Other Personnel Compensation	\$6,090	\$5,775	\$5,851	\$76
12.1 Civilian Personnel Benefits	\$34,521	\$32,731	\$35,326	\$2,595
13.0 Benefits for Former Personnel	\$21	\$20	\$20	-
Total - Personnel Compensation and Benefits	\$124,347	\$117,901	\$123,465	\$5,564
Positions and FTE				
Positions - Civilian	760	715	773	58
FTE - Civilian	760	715	745	30

* The FY 2019 President's Budget column includes funding associated with the DRF Base Funds transfer.

**Office of Inspector General
Non Pay Budget Exhibits**

Non Pay Summary

Organization <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget	FY 2020 President's Budget	FY 2019 to FY 2020 Total Changes
Operations and Support	\$43,653	\$38,468	\$46,721	\$8,253
Transfer from FEMA - DRF	-	\$6,000	-	(\$6,000)
Total	\$43,653	\$44,468	\$46,721	\$2,253
Discretionary - Appropriation	\$43,653	\$44,468	\$46,721	\$2,253

Non Pay by Object Class

Non-Pay Object Classes <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget*	FY 2020 President's Budget	FY 2019 to FY 2020 Change
21.0 Travel and Transportation of Persons	\$3,649	\$3,718	\$3,779	\$61
22.0 Transportation of Things	\$36	\$37	\$37	-
23.1 Rental Payments to GSA	\$12,927	\$15,399	\$15,668	\$269
23.2 Rental Payments to Others	\$406	\$414	\$414	-
23.3 Communications, Utilities, and Misc. Charges	\$3,305	\$3,366	\$3,598	\$232
24.0 Printing and Reproduction	\$10	\$10	\$10	-
25.1 Advisory and Assistance Services	\$6,149	\$4,033	\$4,242	\$209
25.2 Other Services from Non-Federal Sources	\$5,481	\$5,583	\$6,082	\$499
25.3 Other Goods and Services from Federal Sources	\$5,314	\$5,414	\$5,292	(\$122)
25.4 Operation and Maintenance of Facilities	\$680	\$693	\$693	-
25.6 Medical Care	-	-	\$8	\$8
25.7 Operation and Maintenance of Equipment	\$1,281	\$1,305	\$1,576	\$271
26.0 Supplies and Materials	\$970	\$988	\$1,080	\$92
31.0 Equipment	\$3,345	\$3,408	\$4,119	\$711
42.0 Insurance Claims and Indemnities	\$10	\$10	\$10	-
91.0 Unvouchered	\$90	\$90	\$90	-
94.0 Financial Transfers	-	-	\$23	\$23
Total - Non Pay Object Classes	\$43,653	\$44,468	\$46,721	\$2,253

* The FY 2019 President's Budget column includes funding associated with the DRF Base Funds transfer.

**Office of Inspector General
Supplemental Budget Justification Exhibits**

Working Capital Fund

Appropriation and PPA <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget	FY 2020 President's Budget
Operations and Support	\$828	\$537	\$549
Total Working Capital Fund	\$828	\$537	\$549

**Office of Inspector General
Proposed Legislative Language**

For necessary expenses of the Office of Inspector General *for operations and support*, [in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. App.), \$138,369,000]~~\$170,186,000~~, of which not to exceed \$300,000 may be used for certain confidential operational expenses, including the payment of informants, to be expended at the direction of the Inspector General.

Language Provision	Explanation
... <i>for operations and support</i> , [in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. App.),]	Clarifying language to reflect the Common Appropriations Structure. No substantial change proposed.
...[\$138,369,000] \$170,186,000	Dollar change only. No substantial change proposed.

Department of Homeland Security

Office of Inspector General

Operations and Support



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Operations and Support

Budget Comparison and Adjustments

Comparison of Budget Authority and Request¹

Organization <i>(Dollars in Thousands)</i>	FY 2018 Enacted			FY 2019 President's Budget			FY 2020 President's Budget			FY 2019 to FY 2020 Total Changes		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Operations and Support	760	760	\$168,000	613	613	\$138,369	773	745	\$170,186	160	132	\$31,817
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¹ The FY 2018 supplemental appropriation and the FY 2019 enacted amount are not reflected in the FTE or funding totals in the associated tables.

The Operations and Support (O&S) appropriation funds the Office of Inspector General's (OIG) oversight responsibilities as an independent and objective audit, inspection, and investigative entity promoting economy, effectiveness, and efficiency in DHS programs and operations. The OIG conducts and supervises independent audits, inspections, and investigations and recommends ways for DHS to carry out its vital responsibilities in the most effective, efficient, and economical manner possible. The OIG seeks to deter, identify, and address fraud, abuse, mismanagement, and waste of taxpayer funds invested in homeland security.

The OIG is an independent entity to which employees, contractors, and the public can report fraud, waste, and abuse that affects the Department. Results of our findings are reported to the DHS Secretary, Congress, and the public, when appropriate. The OIG seeks to ensure improved transparency, accountability, and efficiency across the Department. Additional information, including the Inspector General's congressional testimony, may be accessed through our website at: www.oig.dhs.gov.

The O&S appropriation funds the OIG's mission through the following Program, Project, and Activity (PPA):

Mission Support: The Mission Support PPA provides funding and personnel for the OIG to perform its oversight responsibilities to assess the Department's risks and weaknesses and to promote the efficient and effective use of limited resources. Specifically, the OIG's resources support the following key legislated responsibilities:

- Promote economy, efficiency, and effectiveness in managing the Department's programs and supporting operations;
- Conduct and supervise audits, investigations, and inspections of the Department's programs and support operations;
- Detect and prevent fraud, waste, and abuse;
- Inform the DHS Secretary and Congress about problems and deficiencies, as well as recommended corrective actions and implementation strategies;
- Review existing and proposed legislation and regulations and make appropriate recommendations;
- Maintain effective working relationships with other Federal, state, and local government agencies, and non-governmental entities;

- Comply with the audit standards of the Comptroller General of the United States and avoid duplication of Government Accountability Office activities; and
- Report violations of Federal criminal law to the U.S. Attorney General.

The OIG is committed to delivering relevant, accurate, timely, and high quality products and services that identify the best use of taxpayer dollars. To accomplish this, we conduct integrated audits, inspections, evaluations, and investigations focused on high-risk and high-impact, vulnerable programs and activities. Our unified, coordinated program of independent and objective audits, inspections, evaluations, and investigations helps the Department fulfill its vital mission to secure our Nation and safeguard its people. The OIG was established through the *Homeland Security Act of 2002* by amendment to the *Inspector General Act of 1978* and proudly serves the men and women of the Department and its Secretary, the President, Congress, and the American people.

As an agent of change, the OIG detects and eliminates fraud, waste, and abuse; identifies risk areas; and recommends corrective actions for Department management to implement. The OIG aligns its work with the Department's five mission areas: 1) preventing terrorism and enhancing security; 2) securing and managing our borders; 3) enforcing and administering immigration laws; 4) safeguarding and securing cyberspace; and 5) ensuring resilience to disasters. We conduct legislatively mandated work and requested reviews to address the concerns of Congress, the Department, and other stakeholders.

Our office reflects the size and complexity of the Department. In a typical year, we issue nearly 100 audit and inspection reports and conduct over 900 investigations. In our audit and inspection reports, we make over 300 recommendations in an average year. We receive over 40,000 complaints through our hotline and website. The OIG conveys to the Department and its stakeholders impartial, timely information about the performance of programs and operations, and objectively assesses emerging concerns. Our recommendations are designed to promote good governance, informed decision making, and accountability.

The OIG is committed to helping the Department achieve its critical missions and ensuring the proper stewardship and integrity of Departmental programs and resources.

Included in the FY 2020 request is \$2.2M for training and \$0.4M to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

Inspector General's Comments:

Sections 6(g)(3)(E) and 4(a)(5) of the Inspector General Act require the Inspector General to submit a separate message to Congress with regard to its budget where, as here, “the Inspector General concludes that the budget submitted by the President would substantially inhibit the Inspector General from performing the duties of the office.” Additionally, section 6(g)(3)(A) requires us to inform Congress of the budget estimate we proposed to the Department. These requirements are unique to the Office of Inspector General (OIG) and recognize the independence and dual reporting that is central to the IG mission. This statement satisfies these requirements.

For the FY 2020 Budget, the OIG submitted a request to the Department for \$181.3 million, which represents a modest increase of approximately 8% above our FY 2019 enacted amount of \$168.0 million. This level of growth is in line with the overall growth of the Department and is necessary to continue our rigorous oversight of the Department's diverse mission areas. The President's Budget, however, sets our FY 2020 funding level at \$170.2 million.

DHS has the responsibility for implementing the Federal government's most diverse programmatic portfolios, including high profile and high risk initiatives. These high-risk areas include the acquisition of physical barriers and new security technologies along the southwest border; significant hiring of personnel across the Department; and billions of dollars in disaster mitigation and relief funding. Because of the dynamic nature of these initiatives and the historic challenges that the Department has encountered in properly administering them, oversight of these missions and functions is critical.

At the proposed level of funding, the OIG is unable to fully meet its statutory mandate to audit, inspect, and investigate this broad range of DHS programs, which has already been negatively impacted by budget reductions over the past two years. The programmatic increases contained in our initial budget request allow the OIG to properly address high-risk areas of concern across the DHS enterprise, which in turn, will assist the Department in meeting its diverse and wide-reaching mission. The requested funding and personnel are necessary for the OIG to provide full-scale audit and investigative coverage and execute its statutory mandate to promote economy, efficiency, and effectiveness in DHS programs and operations and to prevent and detect fraud and abuse.

Fully funding the OIG at \$181.3 million will provide:

- Additional investigators to support sophisticated digital forensics, conduct classified and counter-intelligence investigations, and investigate serious and systemic contract, procurement, and grant fraud across DHS (\$7.36M).
- Additional auditor capacity to focus on evaluating U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, U.S. Citizenship and Immigration Services, U.S. Coast Guard, and Departmental management offices—ensuring that adequate audit oversight is being provided across the Department's high-risk program areas (\$0.77M)
- Requisite resources for the OIG's hardware modernization effort, in support of the Federal IT Acquisition Reform Act (FITARA) and DHS Directive Number 138-03 issued 03/30/2018, *Information Technology Asset Management and Refresh*, to incrementally replace and modernize the OIG's obsolete IT equipment and communications infrastructure (\$3M).

With the requested resources of \$181.3 million, OIG will have more capacity to respond to the increased risk of fraud, waste, and abuse in DHS programs and operations; help the Department meet its public safety and national security mission; and undertake congressionally requested audits, inspections, and investigations. Funding at a lower level will have a negative impact on the OIG's ability to meet its important mission.

Operations and Support Budget Authority and Obligations

Budget Authority <i>(Dollars in Thousands)</i>	FY 2018	FY 2019	FY 2020
Enacted/Request	\$168,000	\$138,369	\$170,186
Carryover and/or Recoveries (Actual/Estimates/Projections)	\$1,925	\$20,925	\$5,925
Rescissions to Current Year/Budget Year	-	-	-
Net Sequestered Resources	-	-	-
Supplementals	\$35,000	-	-
Total Budget Authority	\$204,925	\$159,294	\$176,111
Transfer from FEMA – DRF	-	\$24,000	-
Collections – Reimbursable Resources	\$18,000	\$18,000	\$18,000
Total Budget Resources	\$222,925	\$201,294	\$194,111
Obligations (Actual/Estimates/Projections) ¹	\$202,000	\$195,369	\$194,111
Personnel: Positions and FTE			
Enacted/Request Positions	760	715	773
Enacted/Request FTE	760	715	745
Onboard and Actual FTE; Includes Collections - Reimbursable Resources			
Onboard (Actual/Estimates/Projections) ²	760	715	773
FTE (Actual/Estimates/Projections) ²	747	715	745

¹ FY 2018 supplemental obligations and projections for FY 2019 and FY 2020 are \$10 million, \$15 million, and \$10 million, respectively.

² The FY 2019 projections for Onboard and FTE include 102 positions and 102 FTE associated with the \$24M transfer from DRF Base Funds.

Operations and Support Summary of Budget Changes

Budget Formulation Activity <i>(Dollars in Thousands)</i>	Positions	FTE	Amount
FY 2018 Enacted	760	760	\$168,000
FY 2019 President's Budget*	715	715	\$162,369
FY 2020 Base Budget	715	715	\$162,369
Transfer to MGMT/CFO from OIG/O&S for TIER	-	-	(\$105)
Transfer to MGMT/CFO from OIG/O&S for CPIC	-	-	(\$17)
Transfer to OIG/O&S from MGMT/CSO for Background Investigations	-	-	\$23
Total Transfers	-	-	(\$99)
FERS Agency Contribution Increase	-	-	\$1,676
FPS Fee Adjustment	-	-	\$70
Total, Pricing Increases	-	-	\$1,746
Total Adjustments-to-Base	-	-	\$1,647
FY 2020 Current Services	715	715	\$164,016
Office of Counsel	6	3	\$780
Special Reviews and Evaluations	15	8	\$1,504
Cybersecurity and Intelligence	10	5	\$1,111
Audits Enhancements	27	14	\$2,775
Total, Program Increases	58	30	\$6,170
FY 2020 Request	773	745	\$170,186
FY 2019 To FY 2020 Change	58	30	\$7,817

*The FY 2019 President's Budget includes the \$24 million transfer from the FEMA DRF Base Funds.

Operations and Support Justification of Transfers

Transfers <i>(Dollars in Thousands)</i>	FY 2020 President's Budget		
	Positions	FTE	Amount
Transfer 1 - Transfer to MGMT/CFO from OIG/O&S for TIER	-	-	(\$105)
Transfer 2 - Transfer to MGMT/CFO from OIG/O&S for CPIC			(\$17)
Transfer 3 - Transfer to OIG/O&S from MGMT/CSO for Background Investigations	-	-	\$23
Total Transfers	-	-	(\$99)

Transfer 1 - Transfer to MGMT/CFO from OIG/O&S for TIER: This transfer represents costs associated with the removal of the Treasury Information Executive Repository from the Working Capital Fund (WCF). This activity funds the Department's application for creating automated financial statements and will not result in a loss of service as MGMT/OCFO will assume responsibility for providing this service DHS-wide.

Transfer 2 - Transfer to MGMT/CFO from OIG/O&S for CPIC: This transfer represents costs associated with the removal of Capital Planning and Investment Controls from the WCF. This activity supports the preparation of decision packages for DHS investment review boards at key acquisition decision points and will not result in a loss of service for this activity as MGMT/OCIO will assume responsibility for providing this service DHS-wide.

Transfer 3 - Transfer to OIG/O&S from MGMT/CFO for Background Investigations: This transfer is for a new WCF activity to be managed by MGMT/OCFO for costs related to the initiation, scheduling, and adjudication of background investigations. This activity will provide improved service and customer savings.

Operations and Support
Justification of Pricing Changes

Pricing Changes <i>(Dollars in Thousands)</i>	FY 2020 President's Budget		
	Positions	FTE	Amount
Pricing Change 1 - FERS Agency Contribution Increase	-	-	\$1,676
Pricing Change 2 - FPS Fee Adjustment	-	-	\$70
Total Pricing Changes	-	-	\$1,746

Pricing Change 1 - FERS Agency Contribution Increase: Per OMB Circular A-11, agency FERS contributions increased. The regular FERS agency contribution increased by 2.3% from 13.7% in FY 2019 to 16% in FY 2020. The Law Enforcement FERS agency contribution increased by 3.3% from 30.1% to 33.4%. The agency contribution amount for CSRS did not change.

Pricing Change 2 – FPS Fee Adjustment: This pricing change reflects funds that will be used to offset anticipated increases to the OIG in Federal Protective Service (FPS) basic security fees due to a change in the FPS basic security fee level and assessment model.

Operations and Support Justification of Program Changes

Program Changes <i>(Dollars in Thousands)</i>	FY 2020 President's Budget		
	Positions	FTE	Amount
Program Change 1 - Office of Counsel	6	3	\$780
Program Change 2 - Special Reviews and Evaluations	15	8	\$1,504
Program Change 3 - Cybersecurity and Intelligence	10	5	\$1,111
Program Change 4 – Audits Enhancements	27	14	\$2,775
Total Program Changes	58	30	\$6,170

Program Change 1 – Office of Counsel:

Description

The FY 2020 request includes an increase of 6 Positions, 3 FTE, and \$0.8M to hire additional attorneys to provide expert support of audits and investigations in the areas of acquisitions fraud, digital forensics, and cybersecurity.

Justification

As an independent unit established under the *Inspector General Act of 1978, as amended*, 5 U.S.C. App. § 3 (the IG Act), the OIG is statutorily obligated to support its legal needs independently of the Department. Expert legal counsel is critical to properly supporting the OIG and its work, particularly as the OIG has broadened and deepened its mission through proactive and innovative oversight work in areas of increasing complexity. Taking into account the White House’s priorities, Congressional priorities, and the OIG’s own risk-based priorities, the OIG has increased its oversight work in several areas, including immigration, emergency preparedness, security technology, DHS contracts, prohibited personnel practices, civil rights, and fiscal law. To adequately support these oversight priorities, this proposal would expand the OIG’s expertise in these and other specific legal areas, including acquisition fraud and corruption, digital forensics, and cybersecurity.

This funding request will enable the OIG to hire attorneys with the skill set and specialty knowledge needed to support the increasingly complex work of the OIG. Building an increasingly sophisticated and purposefully developed legal pool within the Office of Counsel (OC) will satisfy the OIG’s critical need for expert independent legal advice and will further enhance the OIG’s ability to issue timely, high-quality, high-impact reports. With these additional personnel, the OIG’s Office of Counsel will have the resources it needs to timely and thoroughly support the increasingly complex and technical work of the OIG. The funding will also enable the OIG to fill gaps in its expertise in areas of increasing importance for the Department, including procurement and acquisitions, fiscal law, and cybersecurity.

Performance

With additional highly skilled staff, OC will be in a better position to establish additional quantitative performance goals with respect to its work to better meet the OIG’s needs. Specifically, we will be able to staff audits, inspections, and administrative investigations, earlier and more often. Having an attorney on-call for every OIG team will ensure that any legal issues that may come up during the lifetime of every OIG project, will be addressed efficiently, effectively, and with the high quality that the OIG requires of all of its products. Ensuring that the OIG’s report findings and

conclusions are properly supported by relevant laws, rules, regulations, and policies is critical to producing the high-impact, change-effecting work that is central to the OIG's mission.

Program Change 2 – Special Reviews and Evaluations:**Description**

The FY 2020 request includes an increase of 15 Positions, 8 FTE, and \$1.5M to hire additional personnel enabling the OIG to initiate more inspections and evaluations in response to Congressional requests and to conduct fact-finding reviews of specific incidents. These requested resources will also enable OIG to add attorneys to its elite Special Reviews Group, a unit that conducts sensitive reviews and special investigations on an expedited timeline.

Justification

The OIG is requesting additional funding and personnel for our Office of Special Reviews and Evaluations to initiate more inspections and evaluations in response to Departmental and Congressional requests. These personnel will conduct fact-finding reviews of specific high profile incidents and provide timely oversight of DHS' multi-faceted mission to ensure program effectiveness regarding:

- Immigration enforcement;
- Border and transportation security;
- Allegations of discrimination, harassment, and high-level misconduct.

Additionally, this request will enhance the efforts of the OIG's Special Reviews Group, an elite unit tasked with conducting sensitive reviews and special investigations across DHS components. This group issues high-impact reports on an expedited timeline, ensuring that the Department and Congress are timely informed of critical information regarding emergent problems in the Department's programs and operations.

In recent years, due to budgetary constraints, the OIG has had to defer, suspend, or even cancel some projects in this area, which has diminished the OIG's effectiveness and ability to respond to pressing issues, identify problem areas, and recommend solutions. In a time of expanded focus on DHS' multi-faceted mission, from immigration enforcement to border and transportation security, the OIG's work is critical to ensuring program effectiveness, as well as the most efficient use of funds by the Department and its components. The potential for expanding mission priorities demands the OIG's comprehensive review and oversight, which can only be accomplished with adequate resources and staff.

Performance

Additional funding and personnel will enable the OIG to fulfill its oversight responsibility to review areas of concern, respond to congressional requests, and seek the facts behind specific incidents. These actions will result in more thorough, timely reviews and ultimately, in more efficient and effective accomplishment of both the OIG's and DHS' missions.

Program Change 3 – Cybersecurity and Intelligence:**Description**

The FY 2020 request includes an increase of 10 Positions, 5 FTE, and \$1.1M to hire highly skilled auditors to conduct mandatory and discretionary cybersecurity audits, including evaluating the effectiveness of DHS efforts to:

- Respond to and mitigate cyber-attacks;
- Monitor Federal agencies' networks;
- Protect the Nation's critical infrastructure and industrial control systems;
- Share cyber intelligence information with other government agencies, the private sector, and international partners.

Justification

The OIG is currently challenged in its ability to perform the annual Federal Information Security Management Act (FISMA) evaluations on the Department's information security programs. Over the years, the findings and recommendations from its annual FISMA evaluations have received considerable Congressional interest and requests for briefings and have cumulatively contributed to transforming the Department's information security program to becoming one of the most robust programs in the Federal Government. As staff resources have diminished each year, however, the OIG increasingly has limited the scope of the mandated annual FISMA reviews. At this point, the OIG can only test and evaluate the security of about 10 key systems from among the total 600 sensitive but unclassified, secret, top secret, and top secret/sensitive compartmented information systems across DHS' 22 components. The OIG also has reduced the level of detail with which it conducts its reviews—a position that threatens the quality, impact, and potential usefulness of the audit work in promoting positive change in the Department's cybersecurity posture and activities.

Further, the OIG has lacked the flexibility to accommodate additional Congressional requests or unanticipated mandates. For example, the Cybersecurity Act of 2015 mandated new reporting responsibilities for the OIG. As a result, the OIG had to cancel other planned discretionary audits, such as the evaluations of DHS compliance with the Cyber Workforce Act and the FISMA Modernization Act. Redirecting staff from other OIG areas has not been a viable option, given the specialized skills, experience, and security clearances needed to access and perform work on the Department's mission-critical national security systems and networks.

Going forward, as it focuses its limited resources on accomplishing the annually mandated IT audits, the OIG will remain unable to take on any additional discretionary cybersecurity audits. This includes no capacity to evaluate the effectiveness of the Department's efforts to respond to and mitigate cyber-attacks, monitor Federal agencies' networks, protect the Nation's critical infrastructure and industrial control systems, or share cyber intelligence information with other law enforcement agencies, private sector, and international partners.

With 10 additional staff, the OIG will have the capacity to expand its IT audit scopes and perform detailed FISMA reviews on the Department's classified and unclassified systems and networks across all 22 components, as required. In addition, the OIG will be able to concurrently perform 2-3 discretionary cybersecurity audits each year, stay current on emerging issues and technologies, and provide high-value products that influence DHS implementation of its broad cybersecurity responsibilities. For example, the OIG will have capability to perform discretionary cybersecurity audits in the following areas:

- DHS implementation of the Cyber Workforce Act of 2014;
- Evaluation of the Einstein 3A Intrusion Prevention System;
- Assessment of DHS' coordination of Continuous Diagnostic Mitigation (CDM) across Federal agencies;

- Evaluation of the security of industrial control systems such as those supporting dams and the nation's electrical grid;
- DHS' incident response and coordination with other Federal cyber centers such as the FBI, Department of Defense, and Intelligence Community;
- DHS' cyber threat information sharing with other Federal agencies and the private sector;
- DHS' cyber incident coordination with international partners to improve cybersecurity response, mitigation, and investigation;
- DHS' progress in protecting the nation's critical infrastructure.

As we face more and increasingly sophisticated cyber-attacks from year-to-year, the need for the OIG to strengthen its oversight capacity becomes more critical.

Performance

With the requested staff resources, the OIG will be better positioned to expand its cyber audit capabilities and acquire the necessary personnel and skills needed to strengthen its oversight of the Department's information systems and networks, including DHS' increased cyber responsibilities across the Federal Government. In addition, the OIG will have the resources needed to evaluate the Department's efforts to protect the nation's critical infrastructure (e.g. state and local election infrastructure, communication, transportation), as well as industrial control systems that control U.S. dams and the electric grid.

Program Change 4 – Audits Enhancements:**Description**

The FY 2020 request includes an increase of 27 positions, 14 FTE, and \$2.8M to hire additional auditors enabling the OIG to provide adequate oversight across the Department's operational and support components. The request focuses on resources to evaluate law enforcement issues, address capabilities needed for new audit work in disaster management, and ensure adequate oversight of cross-cutting financial management and acquisitions involving the range of Departmental components and offices.

Justification

Over the years, OIG's audit report findings and recommendations have led to meaningful and positive changes to a variety of DHS programs and operations. However, as DHS continues to evolve in its efforts to strengthen our national security, the OIG has faced challenges keeping pace, adjusting priorities, and applying adequate resources to provide oversight of critical DHS mission operations and programs. Following are three key DHS program areas where increased resources will provide critical audit oversight.

Law Enforcement and Counter-Terrorism

One of DHS' foremost challenges is safeguarding the American people, our homeland, and our way of life from terrorists, transnational criminal organizations, and rogue nation states that present an ever-growing list of threats by land, sea, and air. As such, DHS efforts stretch beyond our borders to cutters, aircraft, and foreign ports. Collectively, law enforcement and counter-terrorism programs represent about two-thirds of the DHS budget and are core missions of major DHS components such as Customs and Border Protection (CBP), the Transportation Security Agency (TSA), and Immigration and Customs Enforcement (ICE). These components also have responsibility to safeguard and facilitate trade and travel while enforcing hundreds of U.S. regulations, including immigration and drug laws. These efforts strengthen security and resilience while also promoting our Nation's economic prosperity.

OIG has been hampered in undertaking planned work in this high-profile oversight area due to resource constraints, congressional requests, and legislatively mandated reviews. By necessity, OIG focuses its oversight attention on the largest DHS components (i.e., CBP, ICE, and TSA), meaning many smaller programs do not receive the level of oversight needed. For example, we have been unable to undertake audits related to the following:

- Controls over USCIS T and U visa programs for victims of crimes;
- Preparedness to respond to a nuclear terrorism event;
- Enhanced covert testing to detect smuggling of drugs and weapons;
- Biochemical attack preparedness.

Disaster Management

DHS' Federal Emergency Management Agency (FEMA) is chiefly responsible for Federal disaster response and recovery. Plans for audit work in both areas is burgeoning, requiring additional resources to ensure adequate coverage. Although historically our disaster management oversight work has focused on public assistance grants administration and cost accounting, going forward we expect to undertake a portfolio of new mandated work, as well as comprehensive audits examining FEMA's performance in its range of mission areas. This new work, above and beyond planned and ongoing work conducted using supplemental funds from FY 2018, includes:

- Recovery of questioned public assistance costs;
- FEMA's coordination with states on delivering post-disaster services;
- FEMA contracting for goods and services.

Financial Management and Acquisitions

Deficiencies in the Department's financial management functions have been a persistent problem from year to year. The Department has made strides in fulfilling basic financial management fundamentals such as having accurate and complete information on operations and their costs; meaningful performance metrics and goals; and appropriate internal controls. While it has achieved an unmodified opinion on its annual financial statements, DHS still cannot obtain such an opinion on its internal controls over financial reporting.

The OIG repeatedly has designated acquisitions as a major management challenge for the Department. Each year, DHS spends billions of dollars on a broad range of assets and services—from ships, aircraft, and nuclear detection equipment to financial, human resources, and information and systems. While DHS has instituted overarching policies and other reforms to promote effective management of these acquisitions, the value of these reforms is undermined by the lack of discipline in management fundamentals. Most of DHS' major acquisition programs continue to cost more than expected, take longer than planned, or deliver less capability than promised.

To date, the OIG has been constrained in undertaking planned audits to address DHS' lack of management discipline in the financial and acquisition areas. Requirements to apply limited staff resources to mandated audits related to the DATA Act, improper payments, drug control funds, and bank cards have limited our ability to staff discretionary work. We have undertaken audits of acquisition capabilities needs assessments, and key investments related to securing the southern border and procuring large-scale non-intrusive inspection equipment; however, more work could be done in the following areas:

- FEMA's Advance Contract Strategy;
- Acquisitions plans for US Coast Guard's Offshore Patrol Cutter;

- Classified contracts.

Alignment

We anticipated latitude to align the 27 requested staff to audit work in the three high-risk program areas as follows:

- Law Enforcement and Counter-Terrorism: 15 FTP;
- Disaster Management: 6 FTP;
- Financial Management and Acquisition: 6 FTP.

Performance

The requested resources will better position OIG to provide DHS and Congress the rigorous level of oversight needed to ensure safeguards for the homeland and the American people, as well as effective stewardship of financial resources. We also will be poised to accomplish the ever-increasing portfolio of congressional requests and mandated work in balance with critical discretionary oversight audits. However, without the requested increase in audit personnel, the OIG will continue to lack the capacity to provide valuable recommendations for improving the vast array of DHS mission operations. We may also miss critical opportunities to influence DHS decision-making and effect needed positive change in recognized high-risk areas.

Operations and Support
Personnel Compensation and Benefits

Pay Summary

Organization <i>(Dollars in Thousands)</i>	FY 2018 Enacted				FY 2019 President's Budget				FY 2020 President's Budget				FY 2019 to FY 2020 Total			
	Pos.	FTE	Amount	Rate	Pos.	FTE	Amount	Rate	Pos.	FTE	Amount	Rate	Pos.	FTE	Amount	Rate
Operations and Support	760	760	\$124,347	\$163.61	613	613	\$99,901	\$162.97	773	745	\$123,465	\$165.72	160	132	\$23,564	-
Transfer from FEMA – DRF	-	-	-	-	102	102	\$18,000	\$176.47	-	-	-	-	(102)	(102)	(\$18,000)	-
Total	760	760	\$124,347	\$163.61	715	715	\$117,901	\$164.89	773	745	\$123,465	\$165.72	58	30	\$5,564	\$0.83
Discretionary - Appropriation	760	760	\$124,347	\$163.61	715	715	\$117,901	\$164.89	773	745	\$123,465	\$165.72	58	30	\$5,564	\$0.83

* The FTE rate calculation does not include Object Class 11.8-Special Personal Services Payments or 13.0-Benefits for Former Personnel. This applies to all FTE rate calculations in this appropriation.

Pay by Object Class

Pay Object Classes <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget*	FY 2020 President's Budget	FY 2019 - FY 2020 Change
11.1 Full-time Permanent	\$82,406	\$78,134	\$81,027	\$2,893
11.3 Other than Full-Time Permanent	\$1,309	\$1,241	\$1,241	-
11.5 Other Personnel Compensation	\$6,090	\$5,775	\$5,851	\$76
12.1 Civilian Personnel Benefits	\$34,521	\$32,731	\$35,326	\$2,595
13.0 Benefits for Former Personnel	\$21	\$20	\$20	-
Total - Personnel Compensation and Benefits	\$124,347	\$117,901	\$123,465	\$5,564
Positions and FTE				
Positions - Civilian	760	715	773	58
FTE - Civilian	760	715	745	30

* The FY 2019 President's Budget column includes funding associated with the DRF Base Funds transfer.

Pay Cost Drivers

Leading Cost-Drivers <i>(Dollars in Thousands)</i>	FY 2018 Enacted			FY 2019 President's Budget			FY 2020 President's Budget			FY 2019 to FY 2020 Total Changes		
	FTE	Amount	Rate	FTE	Amount	Rate	FTE	Amount	Rate	FTE	Amount	Rate
Civilian Pay and Benefits (O&S)	760	\$124,347	\$163.61	613	\$99,901	\$162.97	745	\$123,465	\$165.72	132	\$23,564	-
Civilian Pay and Benefits (Transfer from DRF)	-	-	-	102	\$18,000	\$176.47	-	-	-	(102)	(\$18,000)	-
Total – Pay Cost Drivers	760	\$124,347	\$163.61	715	\$117,901	\$164.89	745	\$123,465	\$165.72	30	\$5,564	\$0.83

Explanation of Pay Cost Drivers

Civilian Pay and Benefits (O&S): FY 2020 civilian pay and benefits resources funds OIG personnel conducting oversight, audit, inspection, and investigative responsibilities. Changes from FY 2019 includes a permanent realignment of funding to O&S from the Disaster Relief Fund (DRF) to support PC&B costs for 102 FTE/FTP.

Civilian Pay and Benefits (Transfer from DRF): DRF funding previously used to support PC&B for 102 FTE/FTP will be permanently realigned to the Operations and Support account in FY 2020.

Operations and Support
Permanent Positions by Grade – Appropriation

Grades and Salary Range <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget*	FY 2020 President's Budget	FY 2019 to FY 2020 Change
Total, SES	19	19	19	-
GS-15	65	61	70	9
GS-14	137	129	140	11
GS-13	249	235	255	20
GS-12	214	200	206	6
GS-11	40	36	42	6
GS-9	12	11	17	6
GS-8	2	2	2	-
GS-7	6	6	6	-
GS-6	1	1	1	-
GS-5	4	4	4	-
GS-4	11	11	11	-
Total Permanent Positions	760	715	773	58
Position Locations				
Headquarters	318	302	326	24
U.S. Field	442	413	447	34
Averages				
Average Personnel Costs, ES Positions	176,550	176,550	178,315	1,765
Average Personnel Costs, GS Positions	101,601	101,601	102,617	1,016
Average Grade, GS Positions	13	13	13	-

*Includes personnel associated with the DRF Base Funds transfer.

Operations and Support Non Pay Budget Exhibits

Non Pay Summary

Organization <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget	FY 2020 President's Budget	FY 2019 to FY 2020 Total Changes
Operations and Support	\$43,653	\$38,468	\$46,721	\$8,253
Transfer from FEMA – DRF	-	\$6,000	-	(\$6,000)
Total	\$43,653	\$44,468	\$46,721	\$2,253
Discretionary - Appropriation	\$43,653	\$44,468	\$46,721	\$2,253

Non Pay by Object Class

Non-Pay Object Classes <i>(Dollars in Thousands)</i>	FY 2018 Enacted	FY 2019 President's Budget*	FY 2020 President's Budget	FY 2019 to FY 2020 Change
21.0 Travel and Transportation of Persons	\$3,649	\$3,718	\$3,779	\$61
22.0 Transportation of Things	\$36	\$37	\$37	-
23.1 Rental Payments to GSA	\$12,927	\$15,399	\$15,668	\$269
23.2 Rental Payments to Others	\$406	\$414	\$414	-
23.3 Communications, Utilities, and Misc. Charges	\$3,305	\$3,366	\$3,598	\$232
24.0 Printing and Reproduction	\$10	\$10	\$10	-
25.1 Advisory and Assistance Services	\$6,149	\$4,033	\$4,242	\$209
25.2 Other Services from Non-Federal Sources	\$5,481	\$5,583	\$6,082	\$499
25.3 Other Goods and Services from Federal Sources	\$5,314	\$5,414	\$5,292	(\$122)
25.4 Operation and Maintenance of Facilities	\$680	\$693	\$693	-
25.6 Medical Care	-	-	\$8	\$8
25.7 Operation and Maintenance of Equipment	\$1,281	\$1,305	\$1,576	\$271
26.0 Supplies and Materials	\$970	\$988	\$1,080	\$92
31.0 Equipment	\$3,345	\$3,408	\$4,119	\$711
42.0 Insurance Claims and Indemnities	\$10	\$10	\$10	-
91.0 Unvouchered	\$90	\$90	\$90	-
94.0 Financial Transfers	-	-	\$23	\$23
Total - Non Pay Object Classes	\$43,653	\$44,468	\$46,721	\$2,253

* The FY 2019 President's Budget column includes funding associated with the DRF Base Funds transfer.

Non Pay Cost Drivers

Leading Non Pay Cost-Drivers <i>Dollars in Thousands</i>	FY 2018 Enacted	FY 2019 President's Budget*	FY 2020 President's Budget	FY 2019 to FY 2020 Total Changes
Communications and Utilities	\$3,305	\$3,366	\$3,598	\$232
Equipment (including Operation and Maintenance)	\$4,626	\$4,713	\$5,695	\$982
Other Contractual Services	\$17,624	\$15,723	\$16,309	\$586
Rental Payments	\$13,333	\$15,813	\$16,082	\$269
Travel	\$3,649	\$3,718	\$3,779	\$61
Other Costs	\$1,116	\$1,135	\$1,258	\$123
Total Non Pay Cost Drivers	\$43,653	\$44,468	\$46,721	\$2,253

*Includes funding associated with the Disaster Relief Fund transfer.

Explanation of Non Pay Cost Drivers

Communications and Utilities: These costs support OIG's mission activities and increase in FY 2020 due to the increase in personnel.

Equipment: These costs support equipment and the operations and maintenance of equipment in support of the OIG's mission. The change in FY 2020 is due to the increase in personnel.

Other Contractual Services: These costs support OIG's mission activities and include personnel training, program support, information technology, and Working Capital Fund payments. The change in FY 2020 is due to the transfer of certain activities out of the WCF and due to the increase in personnel.

Rental Payments: Rental payments increase slightly in FY 2020 due to the increase in personnel. This cost driver includes both GSA and non-GSA rental payments.

Travel: Funding for travel supports OIG's audit, investigation, and inspection responsibilities across the United States. The slight increase in FY 2020 is due to the increase in personnel.

Other Costs: This cost driver includes funding for Transportation of Things, Printing and Reproduction, and Supplies and Materials, all of which support OIG's workforce. The increase in FY 2020 is due to the WCF activity transfer and the increase in personnel.