



U.S. Department
of Commerce



Office of
Inspector General

OIG Oversight Priorities

Pacific Northwest
Intergovernmental Audit Forum
Fall 2009 Conference
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Anchorage, AK





Oversight Priorities

1. Transition to a New Administration and New Departmental Leadership
2. Statutory Requirements
3. Audits and Evaluations of Programs and Operations Identified in the Top Management Challenges Report
4. American Recovery and Reinvestment Act (Stimulus) Oversight



Statutory Requirements

- Financial Statement Audits
 - *Chief Financial Officers Act of 1990, P.L. 101-576*
- IT Security Audits
 - *Federal Information Security Management Act of 2002, P.L. 107-347*
- Quarterly Reports to the Congress on the 2010 Decennial Census
 - *Consolidated Appropriations Act, 2008, P.L. 110-161*
- Public Safety Interoperable Communications (PSIC) Grant Audits
 - *9/11 Commission Act of 2007, P.L. 110-53, Title XXII, Interoperable Emergency Communications, known as the Improving Emergency Communications Act of 2007; Section 2201*
- Oversight of Recovery and Reinvestment Act Funds Appropriated to NTIA, Census, EDA, NIST, and NOAA
 - *American Recovery and Reinvestment Act of 2009*



Top Management Challenges¹

FY 09 Top Management Challenges

- Overcome the setbacks experienced in reengineering decennial census processes.
- Better position the Department to address information security risks.
- Effectively manage development and acquisition of NOAA's two environmental satellites.
- Establish a safety culture at NIST.
- Ensure NTIA effectively carries out responsibilities under Digital Television Transition & Public Safety Act.

Other Significant Issue Areas

- Weaknesses in Department's acquisition oversight and acquisition workforce.
- USPTO's long and growing patent processing times, and its financing vulnerabilities.
- NOAA's ability to conserve nation's fragile oceans and living marine resources while ensuring a vital U.S. commercial fishing industry.
- BIS' setbacks in modernizing its obsolete information technology infrastructure to strengthen the dual-use export control system.

¹Office of the Secretary: *Top Management Challenges Facing the Department of Commerce*, Report No. OIG-19384, November 18, 2008.



American Recovery and Reinvestment Act (Stimulus) Oversight

- Five bureaus in the Department (NITA, Census, NIST, and NOAA) received a total of \$7.9496 billion in the American Recovery and Reinvestment Act of 2009.
- The Act requires an unprecedented amount of transparency and accountability and sets out specific responsibilities for the OIG to provide oversight of the Department's activities under the Act and its spending of funds appropriated by the Act. The OIG was appropriate \$16 million for these purposes.
- The Act also provides that the Commerce Inspector General is a member of the Recovery Accountability and Transparency Board.



American Recovery and Reinvestment Act (Stimulus) Oversight

- The elements of OIG's Initial Recovery Act Oversight Plan are as follows:
 - Participate in Department Steering Committee and Working Groups to make recommendation upfront on internal controls and procedures.
 - Carry out responsibilities as a member of the Transparency and Accountability Board.
 - Track departmental and bureau compliance with the OMB guidelines for transparency and accountability.
 - Track departmental and bureau actions to determine whether the requirements of the legislation are being met.
 - Organize and staff the OIG to provide the most effective oversight program of stimulus spending while continuing to provide oversight in existing priority areas.
 - Develop and deliver fraud awareness outreach to Commerce bureaus, grantees, and contractors.
 - Develop and carry out a risk based audit plan for stimulus grant-making and contracting activities.



OIG Budgetary Resources

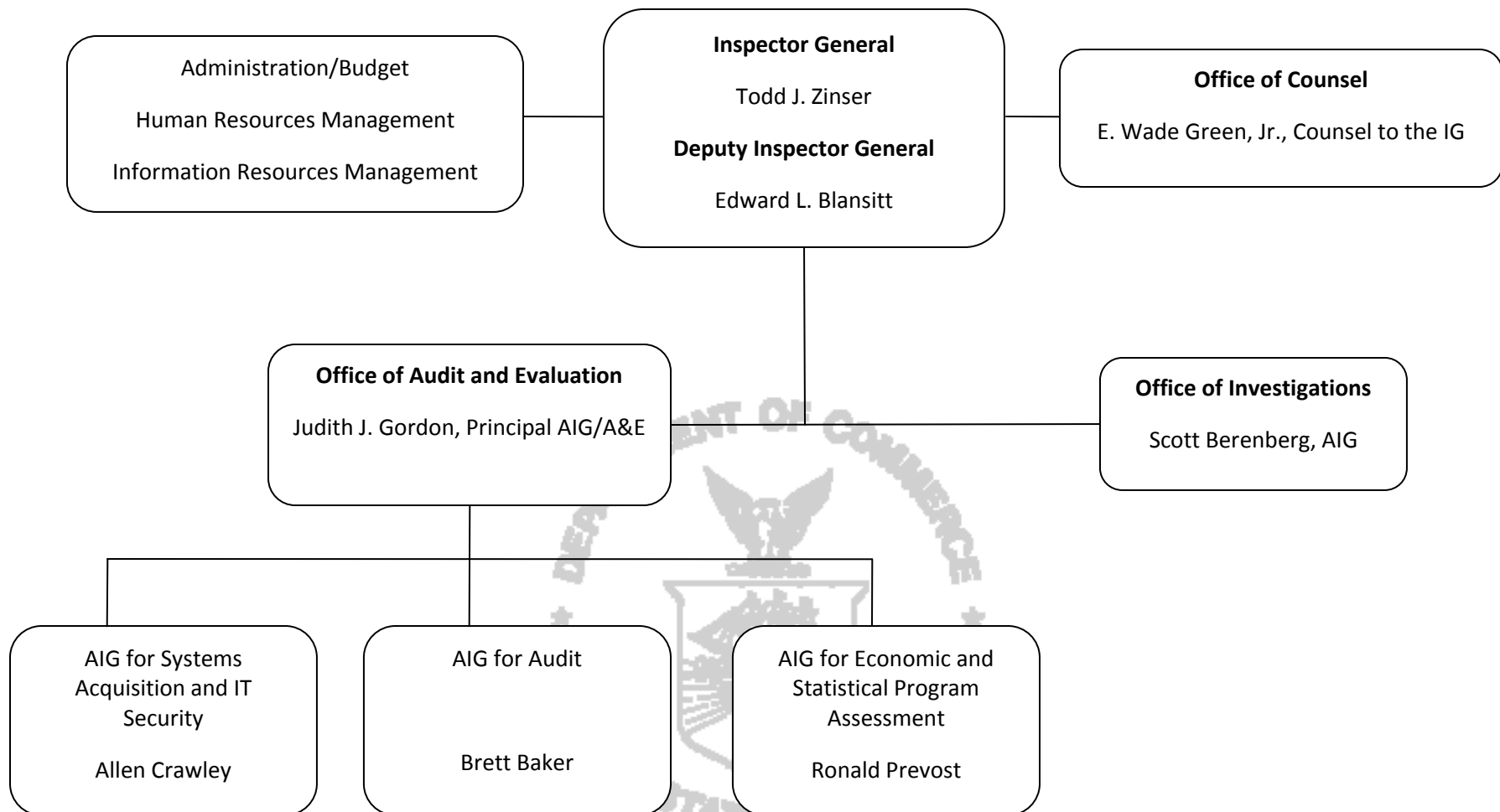
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	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Appropriation	\$22,467	\$22,020	\$25,800 ¹
Additional Resources		\$6,100 ²	\$16,000 ³
Current Staffing Level			114
Current Field Offices: Atlanta, Denver, Seattle, and Silver Spring, MD			

¹Includes a \$2.0M Congressionally-directed transfer from USPTO for activities associated with carrying out investigations and audits related to the USPTO (available until expended).

²Includes a \$3.0M Congressionally-directed one-time transfer to conduct audits of the 2010 Decennial census (available until expended) and a \$3.1M transfer from NTIA Congressionally-directed audits of NTIA's public safety grants (available until September 30 2010).

³ For Recovery Act oversight-- \$6.0M for general oversight of funds provided to Commerce bureaus under the Act (available until September 30, 2013) and \$10M from funds provided to NTIA for Broadband Technology Opportunities Program for audit and oversight of funds provided for that program (until expended).





Recent Testimony, Reports, and Correspondence

Census Bureau

- *Observations and Address Listers' Reports Provide Serious Indications That Important Address Canvassing Procedures Are Not Being Followed (5/09)*
- *Revised Field Data Collection Automation Contract Incorporated OIG Recommendations, But Concerns Remain About Fee Awarded During Negotiations (3/09)*
- *Delays in Address Canvassing Software Development and Testing, Help Desk Planning, and Field Office Deployment Have Increased Operational Risk (2/09)*

Recovery Act

- *Recovery Act: Commerce Experience with Past Relief and Recovery Initiatives Provides Best Practices and Lessons Learned on How to Balance Expediency with Accountability (05/09)*
- *Recovery Act: NTIA Should Apply Lessons Learned from Public Safety Interoperable Communications Program to Ensure Sound Management and Timely Execution of \$4.7 Billion Broadband Technology Opportunities Program (03/09)*
- *Testimony of the Inspector General on Recovery Act Oversight Before the Subcommittee on Investigations and Oversight, House Committee on Science and Technology (3/09)*

NOAA

- *Concerns over NOAA's Oversight of Grants and Contract with Finger Lakes Production International, Inc. (7/09)*
- *Letters to Senators Snowe, Collins, Kennedy, and Kerry on the work and scientific methods of the National Marine Fisheries Service's Northeast Fisheries Science Center (2/09)*
- *Letter to the Deputy Under Secretary for Oceans and Atmosphere on Facility Replacement Alternatives for NOAA's Southwest Fisheries Science Center (1/09)*

NIST

- *Audits of the Manufacturing Extension Partnership Program—Texas (6/09), Massachusetts (3/09), Florida (3/09), and South Carolina (3/09)*



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Investigative Caseload

- Grant/Contract Fraud
- Employee Misconduct
- Anti-Competitive Trade
- Fraud Prevention Training





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