



## SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

### FY 2011 BUDGET

#### *Overview*

SIGIR operates under the authority of Public Law 108-106, section 3001 (as amended). To fulfill its mandated responsibilities in FY 2011, SIGIR requires \$22.1 million for the agency's operating expenses for the conduct of audits, and investigations "of the treatment, handling, and expenditures of amounts appropriated or otherwise made available for the reconstruction of Iraq and ... the programs, operations, and contracts carried out utilizing such funds."

SIGIR's FY 2011 basic budget request represents a decrease of approximately \$8 million from SIGIR's FY 2010 budget of \$30 million. This marks the second consecutive fiscal year that the agency has implemented a budget reduction (see chart below). This decrease is consistent with plans to align staffing and workload to the mandated requirements of our enabling legislation, ensuring responsible oversight while recognizing the reduction in scope of the Iraq Reconstruction program.

#### *Funding Summary* (\$ in thousands)

Description	FY 2009 Actual	FY 2010 Estimate	FY 2011 Request
Personnel Compensation	26,383	22,098	16,256
Travel and Transportation	946	753	618
Rent, Communications, and Utilities	2,338	2,160	1,507
Contractual Services and Supplies	8,195	4,917	3,656
<b>TOTAL</b>	<b>37,862</b>	<b>29,928</b>	<b>22,037</b>
Council on Inspector General's Integrity and Efficiency <sup>1</sup>	88	72	88
<b>GRAND TOTAL</b>	<b>37,950</b>	<b>30,000</b>	<b>22,125</b>

<sup>1</sup> - Budgeted in accordance with the Inspector General Reform Act of 2008.

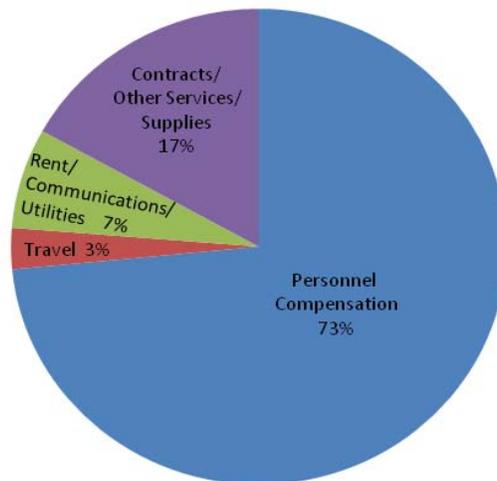
As of July 2009, just over \$4 billion remained to be obligated of the major Iraq reconstruction funds within SIGIR's oversight jurisdiction. Additionally, based on current requests for additional/extended Iraq reconstruction funds (approximately \$2 billion for FY 2010), SIGIR estimates that current appropriated and requested funding will be expended by the fourth quarter of FY 2011, assuming current expenditure rates and that no additional funds are made available for Iraq reconstruction assistance after FY 2010.

SIGIR's FY 2011 work will provide oversight of programs funded from appropriations for the Economic Support Fund, the Iraq Security Forces Fund, and the Commander's Emergency Response Program, among other funding sources. SIGIR will focus efforts in three broad areas:

- (1) Assessing and strengthening economy, efficiency and effectiveness of programs and operations designed to facilitate the reconstruction of Iraq through audits and evaluations;
- (2) Performing forensic audit analysis and investigative review, as appropriate, on 100% of payment data related to funds appropriated for the reconstruction of Iraq; and
- (3) Providing for independent and objective leadership and coordination of, and recommendations on, policies designed to address problems and deficiencies in reconstruction efforts in Iraq.

SIGIR has a statutory mandate to prepare a final forensic report for all amounts appropriated or otherwise made available for Iraq reconstruction. SIGIR forensic cells, combining audit and investigative expertise, have been created to identify indicators of fraud, waste, and abuse. This work has produced investigatory leads and identified weaknesses in financial reporting and disbursement systems. As part of the work plan for FY 2011, continued use of complex computer data mining techniques combined with audit and investigative follow-up will be applied to financial records from each of the major Iraq reconstruction funds covering FY 2003 to 2011. This data mining effort will provide key input that will allow the investigative teams to work closely with the Department of Justice and other agencies on potential actions as appropriate.

### ***FY 2011 Budget Summary***



***Funding by Category***

### **Personnel Compensation**

SIGIR employs personnel appointed into the Excepted Service who are generally assigned to 13-month appointments in anticipation of the close out of the SIGIR mission. Personnel are located in the United States and Iraq. The agency's workforce currently includes auditors, investigators, inspectors and information services staff making up 72% of all positions. The remaining 28% includes management, human resources, procurement, budget, general counsel, and congressional/public affairs staff.

SIGIR's objective is to continue to hire and retain senior, experienced personnel that are able to immediately execute the mission. This objective allows the organization to be responsive to the requirements of an employment environment with temporary appointment status; recruitment and retention challenges; positions in Iraq; and the Congressional mandate to produce quarterly reports. As a result, SIGIR requires a total of \$16.256 million to meet its personnel compensation requirements.

### **Travel and Transportation**

To accomplish their respective missions, SIGIR's investigators and auditors coordinate with other federal agencies in the CENTCOM region and throughout the United States. Effective interagency cooperation often requires extensive travel in support of developing criminal cases and audit reports. The FY 2011 travel estimate of \$618,000 is based on allocations for US- and Iraq-based travel. US-based travel includes expenditures associated with Temporary Duty Travel (TDY) within the continental United States required by auditors and investigators. Iraq-based travel is mainly associated with, but not limited to, deployment and redeployment to Iraq for extended periods of time.

### **Rent, Communications, and Utilities**

SIGIR will reduce space requirements to approximately 17,000 square feet in the Washington metropolitan area for FY 2011. As a result, SIGIR requires \$929,000 for rental payments to GSA. In addition, SIGIR requires \$578,000 for communications services/devices for US- and Iraq-based FTEs, as well as utilities needed to service the Washington, DC facility. As a result, a total of \$1.507 million is needed for this category.

### **Printing and Reproduction**

This category includes estimates for costs associated with the Quarterly Report at approximately \$190,000. SIGIR currently produces 4 quarterly reports annually. This includes 1,200 copies of each report which is distributed to key stakeholders in the executive and legislative branches.

### **Administrative/Operational Support**

Due to the temporary nature of SIGIR's mandate and the need to be responsive to requirements set by Congress, SIGIR adopted a "joint-force" strategy to leverage the responsiveness and technical capabilities of private sector contractors. SIGIR continually reevaluates contractual service requirements in an effort to keep these costs at a minimum. As a result, SIGIR has recently transferred many functions from contractors to government employees. However, SIGIR currently engages the private sector to provide reduced organizational support in two main areas: administrative support services and operational (professional/technical) support in

its mission areas. SIGIR requires a total of \$500,000 for administrative support and \$2.745 million for operational support services in FY 2011.

**Other Services**

SIGIR requires a total of \$248,000 for costs associated with this category which includes training required to maintain auditor, investigator, engineering and other professional certifications; a subsidized fitness program; vehicle lease costs; and miscellaneous costs associated with recruiting efforts, as well as subscriptions. Included in this estimate is \$88,000 for SIGIR's FY 2011 Council of Inspectors General for Integrity and Efficiency (CIGIE) assessment.

**Supplies**

This category includes estimates for supplies and shipping costs budgeted for both Iraq- and US-based requirements. This category is estimated at \$61,000.