

# Congress of the United States

## House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

2321 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6301

(202) 225-6375  
www.science.house.gov

December 6, 2022

The Honorable Marcy Kaptur  
Chairwoman  
Subcommittee on Energy and Water Development  
House Committee on Appropriations  
Washington, District of Columbia 20515

The Honorable Mike Simpson  
Ranking Member  
Subcommittee on Energy and Water Development  
House Committee on Appropriations  
Washington, District of Columbia 20515

Dear Chairwoman Kaptur and Ranking Member Simpson:

As Members of the House Science, Space, and Technology Committee, we write to express our concerns about the current funding levels for the Department of Energy's (DOE or the Department) Office of the Inspector General (OIG).

The OIG plays a crucial role in the Department's research and development enterprise by promoting efficiency of its operations, detecting fraud and abuse in its programs, and safeguarding the Department's information networks. To maximize the value of taxpayer investment in the next generation of energy technologies and cutting-edge research infrastructure, we must ensure the DOE OIG has the necessary resources to conduct rigorous oversight. Recent legislation such as the Infrastructure Investment and Jobs Act (IIJA)<sup>1</sup> have poured billions of dollars in appropriations to the Department but neglected to provide a commensurate increase in resources to the agency's independent oversight authority. We fear that this disproportionate commitment of funding substantially increases the risk of waste, fraud, abuse, and mismanagement for the Department's research and development programs.

The IIJA appropriated over \$62 billion to the Department,<sup>2</sup> and the Department has announced plans to stand up 60 new programs under the authority of this legislation.<sup>3</sup> However, of the funding given to the Department in the IIJA, only 0.1% was appropriated for the OIG's

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<sup>1</sup> Pub. L. No. 117-58 (2021).

<sup>2</sup> *See id.* at div. J, tit III.

<sup>3</sup> DEP'T OF ENERGY, *Clean Energy Infrastructure*, <https://www.energy.gov/clean-energy-infrastructure/clean-energy-infrastructure-homepage> (last visited Nov. 30, 2022).

work to oversee the Department's use of these funds.<sup>4</sup> Although the Department received 14% of the total funding in this legislation and the third-most of the 19 agencies receiving appropriations,<sup>5</sup> the DOE OIG received a lower percentage of its agency's funding than any other OIG receiving appropriations through the IJA.

Less than a year later, the Inflation Reduction Act (IRA) appropriated over \$35 billion dollars to the Department over the coming fiscal years for activities such as infrastructure development, awards for industrial facility upgrades, and loan programs.<sup>6</sup> However, the DOE OIG only received \$20 million to oversee this spending—less than 0.6% of the total funding for the agency.<sup>7</sup>

The lack of support for the OIG is especially alarming given the substantial funding these recent laws appropriated to programs that have been identified as vulnerable to waste, mismanagement, and political influence in the past. For example, the IJA and IRA expanded the types of projects eligible for existing loan and loan guarantee programs, exponentially increased the lending authority for these programs, and appropriated billions of dollars for the Department to stand up entirely new loan programs.<sup>8</sup> In the past, the DOE OIG has conducted numerous audits, inspections, and investigations to pinpoint weaknesses within this program and analyze failed projects to prevent further loss of taxpayer dollars.<sup>9</sup> More recently, the OIG published a special report identifying four major risk areas for the Loan Programs Office (LPO) that warrant immediate attention from Departmental leadership.<sup>10</sup> OIG expertise is critical for overseeing the massive expansion of LPO's high-risk programming.

In similar audits and investigations on clean energy demonstration projects, the DOE OIG has warned that in order to prevent recurrences of past problems with such projects, DOE leadership needs to address a variety of issues, including insufficient staffing, circumvention of project controls, insufficient project oversight, inadequate internal controls, and lack of recipient level controls.<sup>11</sup> According to the Department, it plans to stand up 16 new demonstration programs under its IJA authorities and utilize expanded funding for 12 more programs that include a demonstration component.<sup>12</sup> The DOE OIG must have sufficient resources to continue monitoring weaknesses in Departmental programs and providing valuable recommendations for rectifying problems.

In addition to challenges associated with monitoring federal financial awards, the Department faces rapidly evolving security threats that require the OIG's attention. According to

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<sup>4</sup> Pub. L. No. 117-58, div. J, tit III, § 303.

<sup>5</sup> This percentage excludes all OIG funding.

<sup>6</sup> See Pub. L. No. 117-169, tit V, subtit. A (2022).

<sup>7</sup> See *id.* § 50171.

<sup>8</sup> See *id.* §§ 50141, 50144, 50142, 50145; Pub. L. No. 117-58 div. J., tit III, §§ 40101, 40304 (2021);

<sup>9</sup> See OFFICE OF THE INSPECTOR GEN., DEP'T OF ENERGY, DOE-OIG-22-34, SPECIAL REPORT: PROSPECTIVE CONSIDERATIONS FOR THE LOAN AUTHORITY SUPPORTED UNDER THE LOAN PROGRAMS OFFICE TO IMPROVE INTERNAL CONTROLS AND PREVENT FRAUD, WASTE, AND ABUSE (2022).

<sup>10</sup> *Id.*

<sup>11</sup> OFFICE OF THE INSPECTOR GEN., DEP'T OF ENERGY, DOE-OIG-22-39, SPECIAL REPORT: PROSPECTIVE CONSIDERATIONS FOR CLEAN ENERGY DEMONSTRATION PROJECTS (2022).

<sup>12</sup> DEP'T OF ENERGY, *supra* note 3.

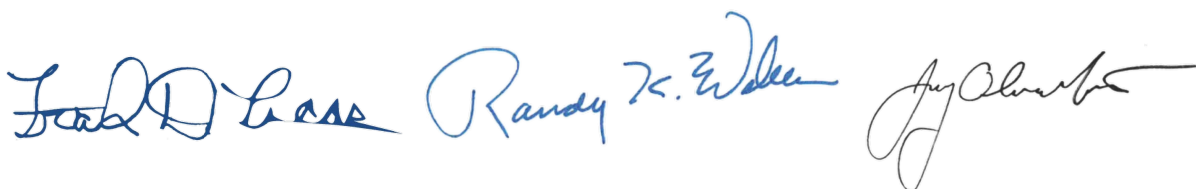
the Department, the OIG has experienced a 60% increase in national security and intellectual property cases and detected a 70% increase in the number of cybersecurity weaknesses identified.<sup>13</sup> We cannot afford to neglect one of our critical lines of defense against cyberattacks and intellectual property theft at a time when foreign adversaries have demonstrated the desire and the capabilities to take advantage of our vulnerabilities. China's extensive cyber capabilities pose a grave threat to our government networks, and it has already displayed its willingness to boost its technological advantage through the theft of foreign intellectual property.<sup>14</sup> Additionally, the cyber threat from Russia continues to evolve,<sup>15</sup> particularly in light of Russia's invasion of Ukraine.<sup>16</sup>

While we must carefully consider funding priorities to rein in ballooning government spending, appropriately funding the OIG provides taxpayers a valuable return on their investment. According to the Council of the Inspectors General on Integrity and Efficiency, the potential savings to the federal government resulting from OIG activities represent approximately a \$22 return on every dollar invested in OIGs.<sup>17</sup>

In conclusion, we urge you to support robust funding for the DOE OIG in order to ensure its resources keep pace with its agency expansion and increasingly complex challenges. We appreciate your attention to this critical issue.

Sincerely

Sincerely,



Frank D. Lucas  
Ranking Member  
Committee on Science,  
Space, and Technology

Randy Weber  
Ranking Member  
Subcommittee on Energy

Jay Obernolte  
Ranking Member  
Subcommittee on  
Investigations and Oversight

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<sup>13</sup> DEP'T OF ENERGY, FY 2023 CONGRESSIONAL BUDGET JUSTIFICATION VOL. 2, OFFICE OF THE INSPECTOR GENERAL (2022), available at <https://www.energy.gov/sites/default/files/2022-09/doe-fy2023-budget-volume-2.pdf>

<sup>14</sup> U.S.-CHINA ECON. AND SEC. REVIEW COMM'N, 2022 REPORT TO CONGRESS, 117th Cong. 14 (2022).

<sup>15</sup> OFFICE OF THE DIR. OF NAT'L INTELLIGENCE, ANNUAL THREAT ASSESSMENT OF THE U.S. INTELLIGENCE COMMUNITY 12 (2022).

<sup>16</sup> Cybersecurity & Infrastructure Sec. Agency, Alert AA-22-110A, Russian State-Sponsored and Criminal Cyber Threats to Critical Infrastructure, Apr. 20, 2022.

<sup>17</sup> COUNCIL OF THE INSPECTORS GEN. ON INTEGRITY AND EFFICIENCY, ANNUAL REPORT TO THE PRESIDENT AND CONGRESS: FISCAL YEAR 2021 2, available at <https://www.ignet.gov/sites/default/files/files/992-011CIGIEAnnualReport-Full508.pdf>.

cc: The Honorable Eddie Bernice Johnson, Chair, Committee on Science, Space, and Technology.

The Honorable Jamaal Bowman, Chair, Subcommittee on Energy.

The Honorable Bill Foster, Chair, Subcommittee on Investigations and Oversight.