



# Office of Inspector General

## *FY 2024 Budget Request*

**Export-Import Bank of the United States**  
**Office of Inspector General**  
**Fiscal Year (FY) 2024**  
**Budget Request**

**Introduction**

The Export-Import Bank of the United States (EXIM) is a wholly owned government corporation, established in 1934 through executive order, and subsequently made an independent agency through congressional charter in 1945. As the official export credit agency of the United States, EXIM's mission is to support American jobs by facilitating the export of U.S. goods and services through financing and insurance programs. The agency's core financing programs include direct loans, loan guarantees, export credit insurance, and working capital loans and guarantees. In 2019, Congress reauthorized EXIM through December 31, 2026.<sup>1</sup>

The Office of Inspector General (OIG) is an independent oversight office within EXIM established by the Export-Import Bank Reauthorization Act of 2002<sup>2</sup> and the Inspector General Act of 1978, as amended (IG Act).<sup>3</sup> The office was created to promote the integrity, transparency, and efficiency of EXIM programs and operations by providing independent oversight and objective reporting to stakeholders, including EXIM's Chair and Congress. OIG conducts audits, investigations, inspections, evaluations, and other special reviews related to agency programs and operations to promote economy, efficiency, and effectiveness and prevent and detect, and deter fraud, waste, abuse, and mismanagement.

Most of OIG's oversight work has historically been conducted by the Office of Audits (OA) and the Office of Investigations (OI), with the Immediate Office of the Inspector General providing leadership and administrative support. OA conducts statutorily-mandated and discretionary audits to assess vulnerabilities in EXIM programs and operations and, where appropriate, identifies questioned costs or funds put to better use. OA engagements result in recommendations to strengthen internal controls, improve management practices, and safeguard taxpayer funds. OI conducts criminal, civil and administrative investigations of fraud and misconduct related to EXIM programs and operations. These investigations frequently result in convictions of EXIM participants, such as exporters, brokers, manufacturers, lenders, shippers, and buyers. Since FY 2015, these cases have resulted in an estimated 147 years of prison time, 111 years of probation, and approximately \$125.9 million in forfeitures, restitution, repayments, and judgments. In 2022, the Inspector General established the Office of Special Reviews (OSR) to conduct oversight of cross-cutting issues and emerging EXIM programs and initiatives, such as EXIM's Make More in America initiative, as well as inspections and evaluations.

This Budget Request reflects the Inspector General's management and oversight priorities for OIG, as well as recent changes to EXIM's statutory mission, which substantially expand and create new oversight requirements for OIG. After operating for more than seven years without a presidentially appointed, Senate-confirmed Inspector General, the U.S. Senate confirmed Ms. Parisa Salehi as EXIM's Inspector

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<sup>1</sup> Further Consolidated Appropriations Act 2020, Pub. L. No. 116-94, div. I, tit. VI, §§ 401-409 (Export-Import Bank Extension), 133 Stat. 2534, 3021 (2019).

<sup>2</sup> Export-Import Bank Reauthorization Act of 2002, Pub. L. No. 107-189, (§ 22 (Inspector General of the Export-Import Bank), 116 Stat. 698, 707-708 (2002).

<sup>3</sup> 5 U.S.C. App. §§ 1 *et seq.*

General on February 17, 2022. Ms. Salehi has prioritized ensuring OIG is resourced and structured to successfully execute its oversight mission. Specifically, this budget request would enable OIG to recruit and retain full-time equivalents (FTEs) with the specialized skills and expertise necessary to ensure proper oversight of highly consequential EXIM programs, including the newly created China and Transformational Exports program and Make More in America domestic finance initiative. This request would also strengthen the independence of OIG’s management platform, including in areas related to information technology (IT) and human capital.

**Summary of the Budget Request**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 OIG Request
Budget Authority	\$6,500,000	\$7,500,000	\$8,860,000
FTE	26	33	36

For FY 2024, EXIM OIG requests a total budget of \$8,860,000, an increase of \$1,360,000 from the FY 2023 enacted level; OIG is also requesting an authorized FTE level of 36. This compares to a current FTE level of 26 as of the end of FY 2022, with planned expansion to 33 FTE in FY 2023. The FY 2024 Request supports mission critical operational expenditures—approximately 85 percent allocated to personnel and benefits costs for staff performing audits, investigations, inspections, evaluations, and reviews; with the remaining 15 percent allocated to support international inspections and investigations, training for staff to maintain professional standards, technology to support office operations and investigations, and other administrative support. OIG’s request is necessary for OIG to recruit and retain the staff required to properly oversee and advance the effectiveness and efficiency of EXIM programs and operations, and to strengthen the independence of OIG’s operations.

The following observations support the Budget Request:

*OIG Generates Significant Returns on Taxpayer Investment*

OIG’s audits, investigations, inspections, evaluations, and reviews yield significant return on taxpayer investments. For every dollar spent on its budget since FY 2015, OIG has doubled Congress’s investment from its investigations alone. OIG has secured 36 convictions against parties who attempted to defraud EXIM, resulting in approximately \$125.9 million in recoveries via criminal and civil court-ordered forfeiture and restitution, fines, and assessments. While more difficult to quantify, OIG’s audits, inspections, evaluations, and reviews similarly protect taxpayer funds by promoting positive change, improving the efficiency of EXIM programs and operations, and preventing the future misappropriation of funds. Since FY 2015, OA has made 326 recommendations to improve the operations and programs of EXIM, including \$6 million in questioned costs and funds put to better use.

### *OIG Must Be Resourced to Conduct Effective Oversight*

OIG is tasked with conducting oversight of a complex international financial institution with approximately \$35.4 billion in total exposure. The FY 2024 request for OIG represents 0.025 percent of EXIM's total export finance portfolio at the end of calendar year 2022. With the proposed authorized FTEs, the ratio of OIG staff to EXIM's portfolio is one OIG FTE to oversee every \$983.3 million. This dollar amount is likely to increase as EXIM continues to authorize billions of dollars in pending and prospective transactions in FY 2023 and beyond.

OIG requires staff with specialized expertise to conduct effective oversight of EXIM programs and operations; however, the number of on-board staff remains lower than in 2015. Uncertainty related to the lapse in EXIM's authority, the lack of Board quorum from 2015 to 2019, and declining total exposure prompted OIG to limit its hiring to levels below the authorized FTE ceiling, as well as replace senior positions with lower-graded employees. As a result, OIG's production of audits, inspections, evaluations, and other reviews declined from 12 reports issued in FY 2015 to seven reports issued in FY 2021. During the same period, a large share of reports produced by EXIM OIG employees were outsourced to private firms contracted to conduct oversight on OIG's behalf under agreed procedures. With reauthorization, Board quorum, new programming, and recent and ongoing exposure growth, OIG staffing posture must respond in proportion to EXIM's rising activity, complexity and financial scale.

The requested budget would support OIG's existing authorized FTE of 26, as well as its planned expansion with the addition of seven FTE in FY 2023, and three additional FTE in FY 2024. This staffing would allow OIG to fully address new oversight requirements and independence concerns related to OIG's management platform, described below. The Budget Request would also enable OIG to recruit and retain specialized FTE with the skills and expertise in banking, legal, and audit skills necessary to oversee EXIM's delivery of financial products. Furthermore, the Budget Request would enable OIG to increase the number of high-quality audits, inspections, evaluations, and reviews conducted by OIG staff. OIG plans to use two of the additional authorized FTE to enhance oversight of the China and Transformational Exports Program, the Make More in America initiative, and other issues of congressional and public concern.

### *OIG Oversight Responsibilities Continue to Expand*

In addition to OIG's existing workload of statutory audits and evaluations, recently created EXIM programs necessitate that OIG conduct new and increasingly complex oversight engagements. In EXIM's 2019 reauthorization, Congress directed the agency to establish the China and Transformational Exports Program, with a goal of reserving 20 percent of EXIM's \$135 billion exposure cap for financing exports that compete directly with China or for exports in sensitive high technology industries. In 2022, EXIM announced the creation of the Make More in America initiative to close supply chain gaps by providing domestic financing. To effectively oversee these programs, OIG requires staff with associated experience related to national security, international trade, and domestic policy. As previously noted, OIG's request would enable the organization to staff OSR, which will be charged with conducting oversight of these and other matters of congressional and public concern.

### *Requested Resources Will Bolster OIG Independence*

OIG will utilize the requested resources to enhance the independence of OIG's management platform. EXIM OIG is largely dependent on management platforms provided by EXIM to enable its operations.

Designed to be an independent and objective unit charged with conducting audits and investigations of EXIM programs and operations, the current dependence on the agency's services in these areas potentially impair OIG's ability to conduct independent oversight. Most notably, EXIM OIG's dependence on the agency's IT system could result in breaches in the confidentiality of sensitive OIG data, including information related to ongoing OIG audits, investigations, inspections, evaluations, and reviews. In FY 2024, OIG will explore the feasibility of utilizing a government shared service provider for human resources and/or procurement services.

#### *Request Supports Administration Priorities*

OIG's Request supports Administration priorities, including areas identified in the President's Management Agenda, as well as considerations related to equity, IT, evidence-based policymaking, and climate change. Specifically, the requested resources would be used for new hiring to strengthen OIG's oversight and IT independence functions. The proposed hiring actions would create opportunities for OIG to further advance the principles of diversity, equity, inclusion, and accessibility within its workforce. OIG oversight enhances EXIM's ability to engage in evidence and data-driven management by providing objective data, analysis, and independent evaluations of agency programs and operations, including congressionally mandated initiatives that promote U.S. exports of environmentally beneficial goods and services, and reporting on estimated yearly levels of greenhouse-gas emissions associated with approved EXIM projects.

#### **Inspector General Act Information**

Section 6 of the IG Act requires the Inspector General to transmit certain information each fiscal year as part of its budget submission. In accordance with section 6 of the IG Act, EXIM OIG's aggregate budget estimate and request at the beginning of the FY 2024 process was \$9,629,735, supporting 36 FTE. This funding would have supported expanded or new OIG oversight and enforcement activities, including improved oversight of newly created EXIM programs and additional measures to enhance OIG's independence. This request includes \$83,008 for training, and \$35,440 as OIG's estimated allocation to support the operations of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

#### **Detailed Budget Request by:<sup>4</sup>**

##### ***Personnel Compensation***

Approximately 85 percent of the OIG baseline budget request is for compensation and benefits to employ professional auditors, inspectors, analysts, criminal investigators, attorneys, and administrative staff. The total personnel budget request provides for \$7,560,813 in salaries and benefits for 36 FTEs,<sup>5</sup> allocated between four groups: Audits, Investigations, Special Reviews, and the Immediate Office of the Inspector General. This funding level assumes no availability and use of carryover funding from FY 2023 appropriations.

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<sup>4</sup> The FY 2023 House and Senate appropriations bills of \$7.5 million was used as the baseline for projections by program area presented in this section.

<sup>5</sup> Benefits are calculated at 33 percent of salary.

### ***Administrative Expenses***

The budget request includes \$1,299,187 for administrative expenses which represents approximately 15 percent of the total FY 2024 request. This portion covers contracted audit, inspection, evaluation, and investigative work; travel; training; information technology; equipment and supplies; and transfer to support the operations of CIGIE. Included in the total is awards spending for high performing employees as outlined in Office of Management and Budget guidance.<sup>6</sup> Specifically, for non-Senior Level positions the base and award amounts for FY 2023 are \$2,051,619 and \$51,290, respectively. For FY 2024, the amounts are \$3,720,636 and \$93,016, respectively. The OIG envisions a decrease of approximately 24.9 percent in administrative expenses for FY 2024 due primarily to the use of newly hired staff to conduct previously contracted oversight engagements.

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<sup>6</sup> OMB Circular A-11, Preparation, Submission, and Execution of the Budget, Section 32.1 (August 2022).

<b>Export-Import Bank of the United States</b> <b>Office of Inspector General</b> <b>Fiscal Years 2022 – 2024</b> <b>Financial Summary</b>			
	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024 (Request)</b>
<b>Appropriation</b>	\$6,500,000	\$7,500,000	
<b>Budget Request</b>	\$6,500,000	\$6,410,000	\$8,860,000
<b>Carryover Used</b>	\$0	\$975,000	\$0
<b>Personnel Compensation</b>	\$4,713,405	\$6,745,138	\$7,560,813
Administrative	\$1,537,473	\$1,280,406	\$961,925
Information Technology	\$134,122	\$309,206	\$155,616
Travel	\$50,000	\$74,250	\$98,638
Training	\$65,000	\$66,000	\$83,008
<b>Subtotal, Administrative</b>	\$1,786,595	\$1,729,862	\$1,299,187
<b>Total</b>	<b>\$6,500,000</b>	<b>\$7,500,000</b>	<b>\$8,860,000</b>