

# Denali Commission

OFFICE OF INSPECTOR GENERAL  
SEMIANNUAL REPORT TO CONGRESS



SEPTEMBER 2021

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SEMIANNUAL REPORT TO CONGRESS



September 2021

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## FROM THE INSPECTOR GENERAL

I am pleased to present the Denali Commission Office of Inspector General's (OIG's) *Semiannual Report to Congress* for the period of April 1, 2021, through September 30, 2021. This report describes the work of the OIG during the reporting period and reflects our responsibility to report independently to Congress and the Commission. The work that is described illustrates the OIG's efforts to promote the efficiency and effectiveness of the Denali Commission and demonstrate the impact that the OIG's work has had on the Commission's programs and operations.

During this reporting period the Commission welcomed a new Federal Co-Chair, Mr. Garrett Boyle. The filling of this critical position provides leadership and stability that was previously identified as one of the management challenges that faced the Commission. I look forward to working with Federal Co-Chair Boyle to continue the gains in operational efficiency and effectiveness that have already begun to be implemented.

Over one and one-half years have passed since the Denali Commission, like all other federal agencies and private businesses, had to adjust operations and look to technology to continue to carry out its mission of providing critical utilities, infrastructure, energy, and economic support throughout Alaska. In a time of "social distancing," the Commission has still worked to increase inter-agency cooperation and support to serve Alaska's remote communities, particularly those determined to be distressed communities.

The work conducted by the OIG during this semi-annual period focused upon ensuring that no operational or internal control issues exist that would impede the Commission in the delivery of its mission. During this period, we issued an audit report on the Commission's compliance with the DATA Act, and an administrative review concerning the proper procedures for the disposition of government equipment when an employee is departing the Commission. I look forward to working with Commission management to assist it in addressing the challenges the Commission faces in its unique and important mission of providing economic development services in rural communities with a specific focus on promoting rural development, and providing power generation, transition facilities, modern communication systems, water and sewer systems and other infrastructure needs in rural Alaska. I appreciate the significant support that I continue to receive from the Commissioners and staff, as well as Congress. I look forward to continuing to work closely with all the Commission's stakeholders to accomplish this mission.



RODERICK H. FILLINGER  
Inspector General

## **EXECUTIVE SUMMARY**

This Semiannual Report, submitted pursuant to Section 5 of the Inspector General Act of 1978, as amended, summarizes the major activities and accomplishments of the Denali Commission Office of Inspector General (OIG) for the period April 1, 2021, through September 30, 2021.

### ***Audits and Reviews Highlights***

During this reporting period, the OIG completed an audit of the Commission's compliance with the DATA Act for fiscal year ended September 30, 2020.

SB & Company, LLC (SBC), under contract with the OIG, completed an audit of the Commission's FY 2020 compliance with the DATA Act, report 2021.04.

### ***Looking Ahead***

The OIG plans to complete the following audits and reviews during the first half of FY 2022:

1. Audit of the Commission's FY 2021 financial statements;
2. Audit of the Commission's FY 2021 compliance with FISMA;
3. Audit of Purchase Card Program and Risk Assessment;
4. Review of Commission's compliance with section 522 of the Consolidated Appropriations Act, 2005, as amended, for privacy and data protection procedures and policies;
5. Audit of the Commission's compliance with the DATA Act for fiscal year 2021;
6. Review of FY2020 improper payment reporting; and
7. Complete a Quality Assessment Review of the Inspector General's Office.

## **DENALI COMMISSION OVERVIEW**

The Denali Commission Act of 1998 (Denali Commission Act) established the Denali Commission (Commission) to deliver a wide range of services to Alaska in the most cost-effective manner by reducing administrative and overhead costs. As part of the Denali Commission Act, the Commission provides job training and other economic development services in rural communities, with a focus on promoting development in rural Alaska and on providing key infrastructure, such as power generation and transition facilities, modern communication systems, and water and sewer systems.

Since its enactment, the Denali Commission Act has been updated several times, expanding the Commission's mission to include the planning and construction of health care facilities and the establishment of the Denali Access System Program to support surface transportation infrastructure and waterfront transportation projects.

The Commission oversees three program areas: Energy, Village Infrastructure Protection, and Special Projects and Initiatives.

## **OVERSIGHT AREAS**

### **Energy**

Recognizing the critical role energy plays in the quality of life and economic development of Alaska's rural communities, the Commission has made energy its primary infrastructure theme since it was created in 1998.

The Energy Program funds the design and construction of replacement bulk fuel storage facilities, upgrades to community power-generation and distribution systems (including interties), and energy efficiency related initiatives. The Commission primarily works with the Alaska Energy Authority, Alaska Village Electric Cooperative, and Alaska Native Tribal Health Consortium to prioritize projects based on need. Other key partners include the U.S. Department of Energy – Office of Indian Energy, U.S. Department of Agriculture – Rural Utilities Service, State of Alaska Department of Commerce, Community and Economic Development, and Rural Alaska Fuel Services.

### **Village Infrastructure Protection**

In 2015, the White House directed the Commission to establish a Village Infrastructure Protection (VIP) Program to assist rural Alaskan communities that are threatened by erosion, flooding, and permafrost degradation. The goal of the VIP program is to mitigate the impact of these threats with respect to safety, health, and the protection of infrastructure.

The basis for the program is Government Accountability Office (GAO) Report 09-551 that was published in 2009. The report identified 31 rural Alaska communities that face significant damage to infrastructure, and/or relocation due to these threats. The state of Alaska has also done significant research on this problem through an Immediate Action Workgroup established by Governor Sarah Palin in 2007.

One of the villages imminently threatened is Newtok, where permafrost degradation acting in combination with Ninglick River currents has resulted in a riverbank erosion rate of 70 feet per year. Numerous homes, the school, and the airport will be destroyed within the next 2 to 4 years. Relocating the community to safer ground is the only alternative.

The Commission's primary program partners are the following:

- Alaska Native Tribal Health Consortium, which is providing overall project management services for the Newtok Relocation Program;
- U.S. Army Corp of Engineers and University of Alaska Fairbanks, which are developing an overall Statewide Threat Assessment; and
- Several agencies within the state of Alaska, such as the Alaska Energy Authority and the Division of Community and Regional Affairs.

### **Special Projects and Initiatives**

In 2012, a provision was added to the Commission's authorizing statute that allows other federal agencies to transfer funds to the Commission whereupon the funds, regardless of source, become no-year funds available until expended. In recent years, the Commission has used this tool to assist other

agencies to implement projects and initiatives in rural Alaska that are complementary to the Commission's mission. Examples include funds from the Centers for Disease Control and Prevention for rural Alaska health and drinking water related studies.

The Commission's approved FY 2019 work plan included up to \$250,000 of discretionary funds for health care, housing, and/or work force development projects. In 2019, \$224,000 was awarded for a medical center in Petersburg. The Commission's FY2020 work plan did not include this funding.

#### Organization

The Commission is organized into three direct components and a fourth program: Programs, General Counsel, and Financial Operations. The fourth, Grant Solutions, is based on agreements entered into under Programs and Financial Operations with other Federal agencies.

## OFFICE OF THE INSPECTOR GENERAL

The Office of Inspector General (OIG) is an independent office established under the provisions of the Inspector General Act of 1978, as amended (hereafter referred to as the IG Act). The IG Act, as amended by the Inspector General Empowerment Act of 2016, safeguards OIG access to agency information and mandates additional reporting to increase transparent in government operations.

The IG Act gives the Inspector General the authority and responsibility to:

1. Conduct and supervise audits and investigations of the Commission's programs and operations
2. Provide leadership, coordination, and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of the Commission's programs and operations; and prevent and detect fraud, waste, and abuse of the Commission's programs and operations; and
3. Keep the Federal Co-Chair, Commissioners, and Congress fully and currently informed about problems and deficiencies, as well as the necessity for corrective actions.

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## Office of Inspector General Activities

During the semi-annual period, the OIG completed one audit.

### COMPLETED WORKS

#### **Audit of the Commission's compliance with the DATA Act**

SBC completed an audit of the Commissions' data submission for compliance with the DATA Act. The objective is to gain an understanding of the processes, systems and controls which Commission's has implemented or plans to implement to report financial and payment data in accordance with the requirements of the DATA Act. (Report No. 2021.04)

### ONGOING/PLANNED AUDITS AND MANAGEMENT REVIEWS

#### **Audit of the Denali Commission's Fiscal Year (FY) 2021 Financial Statements**

SBC is currently performing an audit of the Commission's FY 2021 financial statements in accordance with the Government Accountability Office's Government Auditing Standards and Office of Management and Budget (OMB) Bulletin 17-03, *Audit Requirements for Federal Financial Statements*.

#### **Audit of the Denali Commission's FY 2021 Compliance with FISMA**

SBC is currently performing an audit of the Commission's FY 2021 compliance with the Federal Information Security Modernization Act (FISMA) in accordance with OMB Memorandum 18-02, *Fiscal Year 2018-2019 Guidance on Federal Information Security and Privacy Management Requirements*.

#### **Audit and Risk assessment of the Denali Commission's Charge Card Program**

SBC is currently performing the audit and risk assessment of the Commission's charge card program in accordance with the *Government Charge Card Abuse and Prevention Act of 2012*.

#### **Review of Commission's compliance with section 522 of the Consolidated Appropriations Act, 2005, as amended, for privacy and data protection procedures and policies**

SBC is currently performing the review of the Commission's privacy and data protection policies and procedures in accordance with Consolidated Appropriations Act of 2005, Division H, Section 522, as amended; Section 208 of the 2002 E-Government Act; Privacy Act of 1974; and OMB memorandums.

#### **Audit of the Commission's compliance with the DATA Act**

SBC is currently performing an audit of the Commissions' data submission for compliance with the DATA Act. The objective is to gain an understanding of the processes, systems, and controls which Commission's has implemented or plans to implement to report financial and payment data in accordance with the requirements of the DATA Act. The IPA shall use the Audit Plan prepared for the IG community to execute the IG reviews required by the DATA Act.

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## **Review of the Denali Commission's Compliance with FY 2020 Improper Payments Requirements**

SBC is currently performing the review of the Commission's compliance with FY2020 improper payments requirements in accordance with the requirements of the Improper Payments Information Act of 2002 as amended by the Improper Payments Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012 and the Office of Management and Budget Circular A-123, Appendix C, "Requirements for Effective Estimation and Remediation of Improper Payments," as amended.

### **Performance of the Quality Assessment Review of the Inspector General's Office**

SBC is currently performing a Quality Assessment Review of the Inspector General's Office in accordance with Section 11 of the Inspector General Act of 1978 (5 U.S.C. app.), as amended.

## **ADMINISTRATIVE REVIEWS**

The Commission OIG completed one administrative review during this reporting period. A member of the staff of the Commission raised the concern that a former employee had kept his government issued cell phone without following proper procedures. The review determined that there was miscommunication between the former employee and Commission staff, but that the former employee paid fair market value for the phone. What occurred resulted in a negotiated sale. There was a failure to follow proper procedures, but this was not caused by misconduct on the part of any employee. Two recommendations were made which were accepted and implemented to clarify the procedures to be followed. (Report No. 2021.05)

## **INVESTIGATIONS**

The Commission OIG receives and investigates allegations of fraud, waste, abuse and misconduct within Commission programs and operations. The Commission OIG investigations can give rise to administrative, civil, and criminal penalties. Based on investigations conducted, the Commission OIG issues reports that set forth the allegations and an objective description of the facts to Commission management regarding administrative and civil matters. Investigations which uncover potential criminal activity are referred to the Department of Justice. As of the end of the semiannual reporting period, the OIG has two ongoing investigations.

### **OIG Hotline**

To facilitate reporting of allegations, the Commission OIG maintains a hotline (see "Contacting the Office of Inspector General"). Callers who have general questions or concerns that do not fall within the OIG's jurisdiction are referred to other entities, such as other Commission offices, Federal agencies, Federal offices of inspectors general, and local or state governments.

During the semiannual reporting period, we received 9 hotline inquiries.

## **REPORT ON INSTANCES OF WHISTLEBLOWER RETALIATION**

For this semiannual reporting period, the OIG found no instances of whistleblower retaliation to report.

### **Liaison Activities**

The IG is a member of the CIGIE, which was established on October 14, 2008, pursuant to the Inspector General Reform Act of 2008. The IG also serves on the Audit, Investigations and Professional Development Committees of CIGIE. The IG attended regular meetings of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and served as an adjunct instructor for the CIGIE Training Institute's Audit, Inspection & Evaluation Academy.

## Reporting Requirements of the Inspector General Act of 1978, as Amended

The reporting requirements of the Inspector General Act of 1978, as amended, are listed in the following table along with the location of the required information. The work “None” appears where this is no data to report under a particular requirement.

| Reference                | Reporting Requirements                                                                                                                                                                                                                                                                                                                                 | Page |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Section 4(a)(2)          | Review of legislation and regulations                                                                                                                                                                                                                                                                                                                  | 16   |
| Section 5(a)(1)          | Significant problems, abuses, and deficiencies relating to the administration of programs and operations                                                                                                                                                                                                                                               | None |
| Section 5(a)(2)          | Recommendations with respect to significant problems, abuses, or deficiencies                                                                                                                                                                                                                                                                          | None |
| Section 5(a)(3)          | Significant recommendations included in previous reports on which corrective action has not been taken (Table 1)                                                                                                                                                                                                                                       | 13   |
| Section 5(a)(4)          | Matters referred to prosecutive authorities                                                                                                                                                                                                                                                                                                            | None |
| Section 5(a)(5)          | Summary of instances where information was refused                                                                                                                                                                                                                                                                                                     | None |
| Section 5(a)(6)          | Listing of reports by subject matter (Table 2)                                                                                                                                                                                                                                                                                                         | 13   |
| Section 5(a)(7)          | Summary of significant reports                                                                                                                                                                                                                                                                                                                         | 8    |
| Section 5(a)(8)          | Statistical table – Reports with questioned costs (Table 3)                                                                                                                                                                                                                                                                                            | 14   |
| Section 5(a)(9)          | Statistical table – Recommendations that funds be put to better use (Table 4)                                                                                                                                                                                                                                                                          | 14   |
| Section 5(a)(10)         | Summary of each audit, inspection, and evaluation report issued before this reporting period for which no management decision was made by end of the reporting period, no establishment comment was returned within 60 days; or for those with any outstanding unimplemented recommendations, including the potential aggregate cost savings (Table 5) | 15   |
| Section 5(a)(11)         | Description and explanation of significant revised management decisions                                                                                                                                                                                                                                                                                | None |
| Section 5(a)(12)         | Significant management decisions with which the Inspector General disagrees                                                                                                                                                                                                                                                                            | None |
| Section 5(a)(13)         | Information under section 804(b) of the Federal Financial Management Improvement Act of 1996                                                                                                                                                                                                                                                           | None |
| Section 5(a)(14)(15)(16) | Peer review activity on OIG and Peer review activity by OIG on another OIG                                                                                                                                                                                                                                                                             | 21   |
| Section 5(a)(17)         | Statistical Table – Investigative Reports / Summary of Investigative Activity for the Reporting Period of April 1, 2021, to September 30, 2021 (Table 6)                                                                                                                                                                                               | 15   |
| Section 5(a)(18)         | Description of metrics used for developing the data for the statistical table under Section 5(a)(17)                                                                                                                                                                                                                                                   | None |
| Section 5(a)(19)         | Report on each investigation involving a senior Government employee where allegations of misconduct were substantiated                                                                                                                                                                                                                                 | 21   |
| Section 5(a)(20)         | Description of whistleblower retaliation                                                                                                                                                                                                                                                                                                               | None |
| Section 5(a)(21)         | Description of any attempt by establishment to interfere with the independence including budget constraints, resisted to or objected to oversight, delayed access to information                                                                                                                                                                       | None |
| Section 5(a)(22)         | Description of particular circumstances of each inspection, evaluation, and audit conducted that is closed and was not disclosed to the public; and investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public                                                                    | 22   |

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## First Half of FY 2021 Freedom of Information Act Requests

| <b>Activity</b>                                                             | <b>Total</b> |
|-----------------------------------------------------------------------------|--------------|
| <b>Number of Freedom of Information Act (FOIA) Requests Received</b>        | 0            |
| <b>Number of FOIA Requests Processed</b>                                    | 0            |
| <b>Number Granted</b>                                                       |              |
| <b>Number Partially Granted</b>                                             |              |
| <b>Number Not Granted</b>                                                   |              |
| <b>Reasons for Denial</b>                                                   |              |
| <b>No Records Available</b>                                                 |              |
| <b>Referred to Other Agencies</b>                                           |              |
| <b>Requests Denied in Full Exemption 3</b>                                  |              |
| <b>Requests Denied in Full Exemption 5</b>                                  |              |
| <b>Requests Denied in Full Exemption 7(A)</b>                               |              |
| <b>Requests Denied in Full Exemption 7(C)</b>                               |              |
| <b>Request Withdrawn</b>                                                    |              |
| <b>Not a Proper FOIA Request</b>                                            |              |
| <b>Not an Agency Record</b>                                                 |              |
| <b>Duplicate Request</b>                                                    |              |
| <b>Other</b>                                                                |              |
| <b>Requests for OIG Reports from Congress and Other Government Agencies</b> |              |
| <b>Received</b>                                                             |              |
| <b>Processed</b>                                                            |              |
| <b>Number of OIG Reports/Documents Released in Response to Requests</b>     |              |

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## Investigations Statistical Highlights for this Period

**Table 1. Reports from Previous Periods with Unimplemented Recommendations**

| Report Title | Unimplemented Recommendations |
|--------------|-------------------------------|
| None         | None                          |

**Table 2. Listing of Reports Issued**

| Report Number | Subject Matter | Issue Date | Report Title                                           | Questioned Cost | Unsupported Cost | Funds Put to Better Use |
|---------------|----------------|------------|--------------------------------------------------------|-----------------|------------------|-------------------------|
| 2021.04       | Audit          |            | Audit on the Commission's Compliance with the DATA Act | \$0             | \$0              | \$0                     |

**Table 3. Reports with Questioned Costs**

| <b>Description</b>                                                                                    | <b>Number of Reports</b> | <b>Questioned Costs</b> | <b>Unsupported Costs</b> |
|-------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|--------------------------|
| <b>A. For which no management decision has been made by the commencement of the reporting period.</b> | 0                        | \$0                     | \$0                      |
| <b>B. Which were issued during the reporting period.</b>                                              | 0                        | \$0                     | \$0                      |
| <b>Subtotals (A + B)</b>                                                                              | <b>0</b>                 | <b>\$0</b>              | <b>\$0</b>               |
| <b>C. For which a management decision was made during the reporting period.</b>                       | 0                        | \$0                     | \$0                      |
| <b>i. Dollar value of disallowed costs; and</b>                                                       | 0                        | \$0                     | \$0                      |
| <b>ii. Dollar value of costs not disallowed.</b>                                                      | 0                        | \$0                     | \$0                      |
| <b>D. For which no management decision was made by the end of the reporting period.</b>               | 0                        | \$0                     | \$0                      |

**Table 4. Recommendations That Funds Be Put to Better Use**

| <b>Description</b>                                                                                    | <b>Number of Reports</b> | <b>Unsupported Cost</b> |
|-------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|
| <b>A. For which no management decision has been made by the commencement of the reporting period.</b> | 0                        | \$0                     |
| <b>B. Which were issued during the reporting period.</b>                                              | 0                        | \$0                     |
| <b>Subtotals (A + B)</b>                                                                              | <b>0</b>                 | <b>\$0</b>              |
| <b>C. For which a management decision was made during the reporting period.</b>                       | 0                        | \$0                     |
| <b>i. Dollar value of recommendations that were agreed to by management; and</b>                      | 0                        | \$0                     |
| <b>ii. Dollar value of recommendations that were not agreed to by management.</b>                     | 0                        | \$0                     |
| <b>D. For which no management decision has been made by the end of the reporting period.</b>          | 0                        | \$0                     |

**Table 5. Summary of Reports for Which No Establishment Comment Was Returned within 60 Days of Providing the Report**

| <b>Fiscal Year</b> | <b>Number of Reports with Unimplemented Recommendations</b> | <b>Number of Unimplemented Recommendations</b> | <b>Dollar Value of Aggregate Potential Cost Savings</b> |
|--------------------|-------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|
| <b>0</b>           | 0                                                           | 0                                              | \$0                                                     |

**Table 6. Listing of Investigative Reports/ Summary of Investigative Activity for the Reporting Period of April 1, 2021, to September 30, 2021**

The data contained in this table was compiled from the OIG’s investigations records.

| <b>Investigative Caseload</b>                            | <b>Number</b> |
|----------------------------------------------------------|---------------|
| Cases Open at Beginning of Period                        | 2             |
| Cases Completed but Not Closed* at Beginning of Period   | 0             |
| Cases Opened During Period                               | 0             |
| Cases Closed During Period                               | 0             |
| Cases Completed but Not Closed at End of Period          | 0             |
| Open Cases at End of Period                              | 2             |
| Investigative Reports Issued During the Reporting Period | 0             |

\* A case is “completed” but not “closed” when the investigative work has been performed but disposition (such as corrective administrative action) is pending.

| <b>Criminal and Civil Investigative Activities</b>                            | <b>Number</b> |
|-------------------------------------------------------------------------------|---------------|
| Referrals for Criminal Prosecution to DOJ                                     | 0             |
| Accepted                                                                      | 0             |
| Indictments/Information                                                       | 0             |
| Arrests                                                                       | 0             |
| Convictions                                                                   | 0             |
| Referrals for Criminal Prosecution to State and Local Prosecuting Authorities | 0             |
| Referrals for Civil Prosecution to DOJ                                        | 0             |
| Accepted                                                                      | 0             |
| Referrals for Civil Prosecution to State and Local Prosecuting Authorities    | 0             |

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The following section includes information that is required under the Inspector General Act that is not otherwise addressed in this report, along with supplemental information on select reporting topics.

### **Section 4(a)(2): Review of Legislation and Regulations**

This section requires the Inspector General of each agency to review existing and proposed legislation and regulations relating to that agency's programs and operations. Based on this review, the Inspector General is required to make recommendations in the semiannual report concerning the impact of such legislation or regulations on (1) the economy and efficiency of the management of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in those programs and operations. This review includes legislation that could affect the Denali Commission, or the oversight work of offices of inspectors general. During this reporting period, the following legislation was monitored and reviewed for potential effect on future work conducted in oversight of the Commission:

#### **H.R. 3684 - Infrastructure Investment and Jobs Act**

Representative Peter DeFazio introduced the Infrastructure Investment and Jobs Act in June 2021. This bill addresses provisions related to federal-aid highway, transit, highway safety, motor carrier, research, hazardous materials, and rail programs of the Department of Transportation (DOT).

Among other provisions, the bill

- extends FY2021 enacted levels through FY2022 for federal-aid highway, transit, and safety programs;
- reauthorizes for FY2023-FY2026 several surface transportation programs, including the federal-aid highway program, transit programs, highway safety, motor carrier safety, and rail programs;
- addresses climate change, including strategies to reduce the climate change impacts of the surface transportation system and a vulnerability assessment to identify opportunities to enhance the resilience of the surface transportation system and ensure the efficient use of federal resources;
- revises Buy America procurement requirements for highways, mass transit, and rail;
- establishes a rebuild rural bridges program to improve the safety and state of good repair of bridges in rural communities;
- implements new safety requirements across all transportation modes; and
- directs DOT to establish a pilot program to demonstrate a national motor vehicle per-mile user fee to restore and maintain the long-term solvency of the Highway Trust Fund and achieve and maintain a state of good repair in the surface transportation system.

The OIG is continuing to review and monitor this legislation.

### **S. 1931 Surface Transportation Reauthorization Act of 2021**

Senator Carper introduced a bill, that among other things, provides an additional appropriation in fiscal years 2022 through 2026 in the amount of \$20,000,000 for each fiscal year. The funds appropriated under this bill are to address surface transportation infrastructure needs identified for the Denali access system program under section 309 of the Denali Commission Act of 1998 (42 U.S.C. 3121 note; Public Law 105-277) and shall be up to 100 percent, as determined by the State.

The OIG is continuing to review and monitor this legislation.

### **S. 2134 Data Protection Act of 2021**

Senator Gillibrand introduced a bill, that among other things, amends section 12 of the IG Act by creating a new PAS IG for the Data Protection Agency. The purpose of this new agency is to regulate high-risk data practices and the collection, processing, and sharing of personal data.

The OIG is continuing to review and monitor this legislation.

### **S. 2343 Chai Suthammanont Remembrance Act**

Senator Warner introduced this bill. Like the House version (HR 978), the bill focuses on pandemic workplace safety issues; the Senate version requires the IG to submit a report and determine whether the agency has published and communicated the public safety plan required under the bill, and whether it complies with the bill's requirements.

The OIG is continuing to review and monitor this legislation.

### **S. 2662 Industrial Finance Corporation Act**

Senator Coons introduced a bill that would create the Industrial Finance Corporation of the United States that would, among other things, support resilient supply chains in critical industries and provide support to crucial manufacturing within the United States. It would also amend Section 8G of the IG Act by creating a new DFE IG for the corporation.

The OIG is continuing to review and monitor this legislation.

### **S. 283 National Climate Bank Act**

Senator Markey introduced the National Climate Bank Act which among other things amends Section 8G of the IG Act creating a new DFE IG. This bill establishes and capitalizes a National Climate Bank. The independent, nonprofit bank must invest in clean energy technologies and infrastructure to reduce greenhouse gas emissions. The Bank will be a government corporation governed by a board of directors who will have the authority to appoint an IG.

The OIG is continuing to review and monitor this legislation.

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### **H.R. 5150 Frederick Douglass Trafficking Victims Prevention and Protection Reauthorization Act of 2021**

Representative Chris Smith introduced this bill, which reauthorizes the Trafficking Victims Protection Act of 2000. Sec. 124(c) of the bill requiring that federal employees report to agency IGs and to a trafficking in persons (TIP) POC any suspected cases of misconduct, waste, fraud or abuse relating to TIP. Sec. 124 (e) requires that the IG report publicly and to congress: (1) the number of suspected violations reported; (2) the number of investigations; (3) the status and outcome of such investigations; and (4) recommendations to improve agency programs and operations.

The OIG is continuing to review and monitor this legislation.

### **H.R. 5229 21<sup>st</sup> Century Civilian Conservation and Climate Corps Act**

Representative Kaptur introduced this bill to authorize the President to establish the Civilian Conservation and Climate Corps as a means of providing gainful employment to unemployed and underemployed youth through the performance of useful public work, and for other purposes. It adds a PAS IG as well.

The OIG is continuing to review and monitor this legislation.

### **H.R. 2988 Whistleblower Protection Improvement Act of 2021**

Introduced by Representative Maloney, the House Committee on Oversight and Reform voted the bill out of committee. The bill would add investigations to the definition of “personnel action” for purposes of prohibited personnel practices with a carve out for OIG investigations. The bill also would allow the Office of Special Counsel (OSC) to “refer” matters under 5 USC 1213(c) involving all OIG employees to the CIGIE Integrity committee.

The OIG is continuing to review and monitor this legislation.

### **H.R. 4309 Clean Energy Innovation and Deployment Act of 2021**

Representative DeGette introduced the Clean Energy Innovation and Deployment Act of 2021. The bill would create a new “Clean Energy Deployment Administration” within the Department of Energy and amend section 12 of the IG Act establishing a new PAS IG for this entity. This agency would have an administrator and a board of directors that would only answer to the Secretary of Energy. The overall objective of the agency would be to facilitate innovation in a wide range of zero-emission electricity technologies.

The OIG is continuing to review and monitor this legislation.

### **H.R. 4446 National Infrastructure Corporation Act of 2021**

Representative Carbajal introduced the National Infrastructure Corporation Act of 2021. The bill would establish a new government corporation to finance infrastructure projects that are beyond the financing capabilities of cities and states. The corporation would have a board of directors appointed by the president. Once the board is appointed it would appoint an IG from among the Corporation employees. The bill provides the IG with the “duties and responsibilities established under the IG

Act...” However, the bill does not amend the IG Act and does not explicitly provide for the authorities under the IG Act.

The OIG is continuing to review and monitor this legislation.

### **H.R. 2895 REPAIR Act**

Representative Scott introduced the Reinventing Economic Partnerships And Infrastructure Redevelopment Act, aka REPAIR Act. This bill addresses the financing of infrastructure projects through the establishment of the Infrastructure Financing Authority (IFA) and increases the national limitation on the amount of tax-exempt highway or surface freight transfer facility bonds. The bill amends section 8G of the IG Act and establishes a DFE IG for IFA.

The OIG is continuing to review and monitor this legislation.

### **H.R. 2662 IG Independence and Empowerment Act**

This bill passed the House on June 29, 2021. It addresses issues regarding inspectors general (IGs) and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Integrity Committee. The committee is charged with investigating allegations of wrongdoing against office of IG officials.

The bill allows an IG to be removed only for cause, such as for documented malfeasance. Congress must be notified before an IG is placed on nonduty status. The bill requires the President to explain any failure to nominate an IG and adds provisions regarding acting IGs when an IG position is vacant. The Integrity Committee must notify Congress when an allegation of wrongdoing made by a Member of Congress is closed without referral for investigation.

The bill requires CIGIE to report semiannually to Congress and the President on the activities of the committee. The bill adds provisions regarding appointment of former IGs to the committee. An IG must refer to the committee any allegation of wrongdoing against that IG. The bill grants (1) IGs the authority to subpoena witnesses who are not currently government employees, and (2) the Department of Justice (DOJ) IG the authority to investigate wrongdoing by DOJ attorneys.

The bill requires notification to Congress of an IG's ongoing investigations when the IG is placed on nonduty status. IGs must notify Congress if agencies deny access to requested information. The bill also requires the establishment of minimum standards and best practices for IG training.

The Government Accountability Office shall review the effectiveness of the processes of the CIGIE committee and of the offices of IGs for ensuring IG accountability, integrity, and independence.

The OIG is continuing to review and monitor this legislation.

### **S. 1794 IG Testimonial Subpoena Authority Act**

Like H.R. 2662, this bill provides for testimonial subpoena authority. It requires coordination with the Attorney General before the issuance of a testimonial subpoena.

The OIG is continuing to review and monitor this legislation.

### **Section 5(a)(1) and 5(a)(2): Significant Problems, Abuses, and Deficiencies, and Resulting Recommendations for Corrective Action**

These sections require a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations disclosed during the reporting period and the resulting recommendations for corrective action. There were no significant problems, abuses, or deficiencies found during the reporting period, and no resulting recommendations for corrective action were issued.

### **Section 5(a)(3): Prior Significant Recommendations Unimplemented**

This section requires identification of each significant recommendation described in previous semiannual reports for which corrective action has not been completed. Section 5(b) requires that the Commission transmit to Congress statistical tables showing the number and value of audit reports for which no final action has been taken, as well as an explanation of why recommended action has not occurred, except when the management decision was made within the preceding year. We have no prior significant unimplemented recommendations.

### **Section 5(a)(4): Matters Referred to Prosecutorial Authorities**

This section requires a summary of matters referred to prosecutorial authorities and the resulting prosecutions and convictions. No new matters were referred to prosecutorial authorities during this reporting period. There are two matters previously reviewed still pending. One is currently under administrative review. The other pending matter is under ongoing criminal investigation.

### **Sections 5(a)(5) and 6(c)(2): Information or Assistance Refused**

These sections require a summary of each report to the Commissioners when access, information, or assistance has been unreasonably refused or not provided. We were not refused access, information, or assistance.

### **Section 5(a)(10): Prior Audit Reports Unresolved**

This section requires: a summary of each audit report, inspection report, and evaluation report issued before commencement of the reporting period (A) for which no management decision has been made by the end of the reporting period, an explanation of why a decision has not been made, and a statement concerning the desired timetable for delivering a decision on each such report; (B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and (C) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations. There are no reports for which no management decision was made by the end of the reporting period or for which no establishment comment was returned within 60 days of providing the report to the establishment.

### **Section 5(a)(11): Significant Revised Management Decisions**

This section requires an explanation of the reasons for any significant revision to a management decision made during the reporting period. There were no significant revised management decisions during this period.

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**Section 5(a)(12): Significant Management Decisions with Which OIG Disagreed**

This section requires information concerning any significant management decision with which the inspector general disagrees. There were no significant management decisions with which the previous or current inspector general disagreed.

**Section 5(a)(13): Noncompliance with Federal Financial Management Systems**

Agencies are required to implement and maintain financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. If an agency does not comply with federal financial systems, it is required to establish a remediation plan. This section requires the reporting of instances and reasons when an agency has not met target dates established in the remediation plan. There were no instances of noncompliance with federal financial management systems.

**Section 5(a)(14) and 5(a)(15): Results of Peer Review Received by OIG**

These sections require an appendix containing the results of any peer review conducted by another inspector general during the reporting period and a list of outstanding recommendations. As of this reporting period, the Denali Commission OIG has not been peer reviewed, and there are no outstanding recommendations. The previous interim Inspector General had a peer review complete as part of their overall Office of Inspector General operations. For more information on the peer review of the previous interim Inspector General, please see the Office of Inspector General of the Department of Commerce website at [www.oig.doc.gov](http://www.oig.doc.gov). The next planned peer review of the Denali Commission OIG is during fiscal year 2022.

**Section 5(a)(16) Results of Peer Review Conducted by OIG**

This section requires a list of any peer reviews conducted of another inspector general during the reporting period, including a list of any outstanding recommendations made from any previous peer reviews. As of this reporting period, the Denali Commission OIG has not conducted a peer review, and there are no outstanding recommendations.

**Sections 5(a)(17) and 5(a)(18): Investigations, Criminal Prosecutions, and Criminal Indictments and Metrics Used to Develop Statistical Data of Investigations, Criminal Prosecutions, and Criminal Indictments**

These sections require a statistical table and a description of the metrics used to develop the data related to (1) the number of investigative reports issued, (2) number of persons referred to the Department of Justice for criminal prosecution, (3) number of persons referred to state and local authorities for criminal prosecution, and (4) number of criminal indictments and criminal information resulting from any prior referrals to prospective authorities. There were no investigations, criminal prosecutions, or criminal indictments.

**Section 5(a)(19): Substantiated Investigations of Senior Government Employees**

This section requires a detailed description of each investigation involving a senior government employee where allegations of misconduct were substantiated, including a detailed description of (1)

the facts and circumstances of the investigations and (2) the status and disposition of the matter—including, if referred to or declined by the Department of Justice, the date of referral or declination. There are no substantiated allegations of misconduct involving a senior government employee.

**Section 5(a)(20): Instances of Whistleblower Retaliation**

This section requires a detailed description of any instance of whistleblower retaliation, including (1) information about the official found to have engaged in retaliation and (2) the consequences the agency imposed to hold the official accountable. There were no instances of whistleblower retaliation.

**Section 5(a)(21): Interference with Inspector General Independence**

This section requires a detailed description of any attempt by the Commission to interfere with the independence of the inspector general, including (1) budget constraints designed to limit OIG capabilities and (2) incidents where the establishment has resisted OIG oversight or delayed OIG access to information, including the justification of the establishment for such action. There were no instances of the Commission attempting to interfere with the independence of the OIG.

**Section 5(a)(22): Closed Inspector General Matters Not Publicly Disclosed**

This section requires a detailed description of the particular circumstances of each (1) inspection, evaluation, and audit conducted by OIG that is closed and was not publicly disclosed and (2) investigation conducted by OIG involving a senior government employee that is closed and was not disclosed to the public. The FISMA audit work was not publicly disclosed. There are no closed investigations involving a senior government employee that were not disclosed to the public.