



*Office of Inspector General
Export-Import Bank of the United States*

Congressional Budget Justification

FY 2025

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CONTENTS

Contents	1
Introduction	2
Summary of the Budget Request.....	3
OIG Generates Significant Returns on Taxpayer Investment	4
OIG Must Be Resourced to Conduct Effective Oversight.....	4
Requested Resources Will Bolster OIG Independence	5
Request Supports Administration Priorities	5
Inspector General Act Information	5
Personnel Compensation	6
Administrative Expenses	6

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, 2026.¹

The Office of Inspector General (OIG) is an independent oversight office within EXIM established by the Export-Import Bank Reauthorization Act of 2002² and the Inspector General Act of 1978, as amended (IG Act).³ 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, evaluations, inspections, investigations, and reviews related to agency programs and operations to promote economy, efficiency, and effectiveness and prevent, detect, and deter fraud, waste, abuse, and mismanagement.

OIG's oversight work is conducted by the Office of Audits (OA), the Office of Investigations (OI), and the Office of Special Reviews and Communications (OSRC) with the Immediate Office of the Inspector General, the Office of General Counsel (OGC), and the Office of Management (OM) providing leadership, legal, 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 result in convictions of EXIM participants, such as exporters, brokers, manufacturers, lenders, shippers, and buyers. OI investigations have also yielded convictions and/or administrative actions taken against EXIM employees. Since FY 2015, OI cases have resulted in an estimated 147 years of prison time, 111 years of probation, and approximately \$126 million in forfeitures, restitution, repayments, and judgments. In 2022, the Inspector General established OSRC to conduct oversight of cross-cutting issues and newly created EXIM programs and initiatives, such as EXIM's China and Transformational Exports Program and the Make More in America domestic financing initiative. OSRC produces evaluations, inspections, reviews, and other agile work

¹ 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).

² 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).

³ 5 U.S.C. §§ 401-424.

products that promote positive change within EXIM programs and operations and ensure the agency’s compliance with applicable statutory requirements.

This budget request reflects the Inspector General’s multi-year management and oversight agenda for OIG, including efforts to yield cost-savings for the American taxpayer while enhancing oversight of EXIM. OIG operated for eight years from 2014 to 2022 without a presidentially appointed, Senate-confirmed Inspector General. During that period, the organization’s budget and performance declined. Specifically, OIG’s output of audit, inspection, and evaluation reports declined by approximately 40%. During this period, the organization increasingly outsourced oversight engagements to contractors because variations in the office budget made it difficult to hire permanent employees. Following confirmation by the U.S. Senate on February 17, 2022, Inspector General Parisa Salehi prioritized OIG efforts to recruit and retain full-time equivalents (FTEs) with the specialized skills and expertise necessary to ensure proper oversight of highly consequential EXIM programs and strengthen the independence of OIG’s management platform, including in areas related to information technology (IT) and human capital (HC). This budget request is in furtherance of these priorities.

SUMMARY OF THE BUDGET REQUEST

Table 1. Summary of the Budget Request

	FY 2023 Enacted	FY 2024 Annualized CR Level	FY 2025 OIG Request
Budget Authority	\$7,500,000	\$7,500,000	\$9,600,000
FTE	33	36	39

For FY 2025, EXIM OIG requests a total budget of \$9.6 million, an increase of \$2.1 million from the FY 2023 enacted level.⁴ OIG asks that \$860,000 of the requested funds be transferred from EXIM’s Administrative Expenses appropriation in FY 2025 to cover costs associated with EXIM’s annual financial statement audit.⁵ OIG is also requesting an authorized FTE level of 39. This compares to a current authorized FTE level of 33. OIG’s request reflects the costs associated with maintaining planned staffing levels in FY 2024, three additional FTEs to strengthen OIG oversight in the lead-up to EXIM’s potential reauthorization in 2026, required IT costs to ensure the cybersecurity of OIG systems, and increased travel costs to inspect recently approved loan transactions related to renewable energy exports. OIG has prioritized hiring in this budget

⁴ The FY 2025 figure reflects the one-time base transfer of \$860,000 from EXIM’s Administrative Expenses appropriation to cover the cost of EXIM’s annual financial statements audit.

⁵ EXIM’s annual financial statement audit is currently funded using the agency’s Administrative Expenses appropriation; however, OIG manages the audit. OIG believes the requested base transfer, which involves no increased spending, will enhance OIG’s independence in the conduct of financial statement audit by ensuring OIG controls the funding necessary to conduct the audit.

request and will utilize a combination of carry-over funds and reductions in outlays for contractual services to enable the organization to fund the increased FTE cap of 39.

OIG's above request is necessary for OIG to sustain the multi-year investments made in FY 2023 to recruit and retain the staff necessary to provide oversight of all EXIM programs and operations and to strengthen the independence of OIG's operations. Specifically, the request would allow OIG to recruit two additional staff to conduct audits and inspections of EXIM programs and operations and one position to support OIG independence related to human capital operations.

The following observations support OIG's above guidance budget request:

OIG Generates Significant Returns on Taxpayer Investment

OIG's audits, evaluations, inspections, investigations, and reviews yield significant returns on taxpayer investments. For every dollar spent on its budget since FY 2015, OIG has more than doubled Congress's investment from its investigations alone. OIG has secured 36 convictions against parties who attempted to defraud EXIM, resulting in approximately \$126 million in recoveries via criminal and civil court-ordered forfeiture and restitution, fines, and assessments. While more difficult to quantify, OIG's audits, evaluations, inspections, 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, OIG has made 387 recommendations to improve the operations and programs of EXIM, including \$10.12 million in questioned costs and funds put to better use. For example, OIG is currently evaluating EXIM's Sub-Saharan Africa Mandate, Personnel Security program, and Human Capital Function.

OIG Must Be Resourced to Conduct Effective Oversight

OIG is tasked with conducting oversight of a complex international financial institution with approximately \$34.1 billion in total exposure. OIG's FY 2025 request represents 0.028% of EXIM's total export finance portfolio at the end of FY 2023. With the proposed authorized FTEs, the ratio of OIG staff to EXIM's portfolio is one OIG FTE to oversee every \$873.7 million. This dollar amount is likely to increase as EXIM continues to authorize billions of dollars in pending and prospective transactions in FY 2025 and beyond. EXIM plans to increase its targeted dollar value of total authorizations to \$11 billion in FY 2025. OIG's requested resources are necessary to ensure oversight of this anticipated growth.

Between 2016 and 2023, OIG's on-board staff decreased by 10 FTE. Budgetary fluctuations and uncertainty related to the lapse in EXIM's authority and the lack of Board quorum from 2015 to 2019 also prompted OIG to limit its hiring to levels below the authorized FTE ceiling and replace senior positions with lower-graded employees. As a result, OIG's production of audits, evaluations, inspections, and reviews declined by 42% between fiscal years 2015 and 2021. During the same period, there was a 50% reduction in the number of reports produced by EXIM OIG employees. Instead, work was supplanted by outsourcing to private firms contracted to

conduct oversight on OIG’s behalf under agreed procedures. OIG’s FY 2025 request is necessary to restore the productivity of the office and allow OIG to fully address new oversight requirements such as the China and Transformational Exports Program, the Make More in America initiative, and other issues of congressional and public concern.

The requested FY 2025 budget would sustain OIG’s planned FY 2024 hiring and provide three additional FTE in FY 2025; two of these FTEs would conduct audits, evaluations, inspections, and reviews that will inform decision-making on a potential EXIM reauthorization in 2026. The budget request also includes funding for domestic and international travel to oversee recently approved EXIM transactions.

Requested Resources Will Bolster OIG Independence

OIG will also use the requested resources to strengthen the independence of OIG’s management platform and ensure OIG has full control over resources necessary to conduct the annual financial statement audit. EXIM OIG will complete the process that began in FY 2023 to strengthen its independence in the areas of human capital (HC) and information technology (IT). One of the requested FTEs will be used to ensure OIG is able to recruit employees with the specialized experience required for oversight of the agency. The FY 2025 request also includes funding for required IT risk assessments to ensure the security of OIG information systems, which will become a recurring cost in subsequent fiscal years.

Request Supports Administration Priorities

Consistent with the Office of Management and Budget’s FY 2025 guidance, OIG’s request supports administration priorities, including those related to strengthening and empowering the federal workforce, cybersecurity, and international climate finance. Specifically, the requested resources would be used for an additional FTE to bolster OIG’s hiring capacity and strengthen cybersecurity by ensuring that OIG’s IT systems are properly risk assessed. EXIM typically funds its operations through the Administrative Expenses appropriation. During FY 2023, the agency signaled its interest in OIG covering a portion of administrative costs – including the required IT risk assessments—using OIG’s appropriation. Finally, OIG oversight enhances EXIM’s ability to address the climate crisis by providing objective data, analysis, and independent evaluations of agency programs that promote U.S. exports of environmentally beneficial goods and services. Specifically, a portion of the requested funding will be used to inspect a recently authorized EXIM transaction related to renewable energy valued at over \$900 million.

Inspector General Act Information

5 U.S.C. Section 406 requires the Inspector General to transmit certain information each fiscal year as part of its budget submission. In accordance with 5 U.S.C. Section 406, EXIM OIG’s aggregate budget estimate and request at the beginning of the FY 2025 process was \$10,860,000, which included a one-time base transfer of \$860,000 from EXIM’s Administrative

Expenses appropriation to cover the cost of EXIM’s annual financial statements audit. 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 funding request includes \$72,000 for training, and \$38,400 as OIG’s estimated allocation to support the operations of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

Personnel Compensation

Approximately 83% of the OIG 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 \$7,951,004 in salaries and benefits for 39 FTEs.

Administrative Expenses

The budget request includes \$1,648,996 for administrative expenses which represents approximately 17% of the total FY 2025 request. This portion covers contracted audit, evaluation, inspection, and investigative work; domestic and international travel; mandatory and developmental training; information technology; equipment and supplies; and the annual transfer to support the operations of CIGIE. The proposed increase in administrative expenses reflects required IT risk assessments to ensure the security of OIG information systems.

Financial Summary (FYs 2023 – 2025)

Table 2. Financial Summary

	FY 2023 Enacted	FY 2024 (Annualized CR Levels)	FY 2025 (Request)
Appropriation	\$7,500,000	\$7,500,000	
Budget Request	\$6,410,000	\$6,410,000	\$9,600,000
Carryover Used	\$975,000	\$975,000	\$0
Personnel Compensation	\$5,770,138	\$5,770,138	\$7,951,004
Administrative	\$1,280,406	\$1,280,406	\$1,230,547
Information Technology	\$309,206	\$309,206	\$163,135
Travel	\$74,250	\$74,250	\$172,306
Training	\$66,000	\$66,000	\$83,008
Subtotal, Administrative	\$1,729,862	\$1,729,862	\$1,648,996
Total	\$7,500,000	\$7,500,000	\$9,600,000

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If you fear reprisal, contact EXIM OIG's Whistleblower Protection Coordinator at
oig.whistleblower@exim.gov

For additional resources and information about whistleblower protections and unlawful retaliation, please visit [the whistleblower's resource page](#) at [oversight.gov](https://www.oversight.gov).