# Inspection

## OFFICE OF
# INSPECTOR GENERAL
## U.S. DEPARTMENT OF THE INTERIOR

Memorandum

To:     Paul McInerny
         Chief Information Officer

From:   Nicki Miller
         Assistant Inspector General for Audits, Inspections, and Evaluations

Subject:  Final Inspection Report – *The U.S. Department of the Interior Did Not Always Appropriately Classify and Approve Information Technology Purchases*
         Report No. 2024-ISP-031

This memorandum transmits our inspection report on the U.S. Department of the Interior's (DOI's) classification and approval process for IT-related purchases.[1] Specifically, our objective was to determine the extent to which DOI properly classified selected purchases as IT and appropriately approved IT purchases in accordance with the Federal Information Technology Acquisition Reform Act (FITARA)[2] and DOI policy.

DOI relies on IT to accomplish its mission, requiring extensive investments to both update existing IT investments and purchase new IT solutions. From fiscal years (FYs) 2022 to 2024, DOI reported spending an average of $1.9 billion on IT purchases annually and requested the same amount for FY 2025. We reviewed 167 purchases, totaling approximately $52 million, that were classified in a general "other" category when recorded in DOI's Financial and Business Management System (FBMS)[3] and found that purchases totaling nearly $40 million should have been but were not classified as IT. Selecting the wrong classification in FBMS has an adverse and cascading effect on DOI's IT acquisition and security. Because the purchases were misclassified, they were not routed as required for IT approval.[4] Appropriate IT approval must take place to ensure consistency with bureau acquisition strategies and plans and verify the funds are available. The wrong classification accordingly impedes the Office of the Chief Information Officer's (OCIO's) ability to accurately track IT purchases across DOI, which could result in DOI investing in redundant or unnecessary IT solutions and increase the risk of breaches and other vulnerabilities if IT purchases do not meet cybersecurity requirements.

On April 17, 2025, the Secretary of the Interior issued Secretary's Order No. 3429, *Consolidation, Unification and Optimization of Administrative Functions*, stating that it would be unifying and consolidating many of its functions, including IT, within the Office of the Secretary. Accordingly, we recognize that DOI policies and practices in this area may change. DOI will, however, continue to use FBMS to classify and approve IT purchases, so we encourage DOI to take the issues we identified into account as it makes various organizational and structural changes.

See Attachment 1 for our scope and methodology. Attachment 2 provides a more comprehensive list of common DOI IT purchases.

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[1] DOI's Office of the Chief Information Officer maintains a list of common IT purchases, which includes phone systems, wildlife monitoring tags, speakers, printing services, power supplies, cloud storage, Wi-Fi services, and management consulting.

[2] Pub. L. No. 113-291, 128 Stat. 3438.

[3] FBMS supports business management processes, such as financial management, acquisition, budget execution, and grants and cooperative agreements, across all bureaus and offices. FBMS serves as DOI's procurement system where most IT purchase requests are submitted, funds are verified as available and committed for the purchases, and purchase requests are approved by the appropriate supervisor and IT official so the procurement can move forward.

[4] Our inspection focused on purchases recorded in FBMS and not DOI's IT planning requirements, approvals, and procedures related to its IT goals and objectives (which includes acquisition and strategic planning, resource management, and IT security). Examining recorded purchases versus planned acquisitions—which are subject to change—helped us determine whether these purchase requests should have been classified as IT and thus would require specific IT approval in FBMS.

# Background

On February 10, 1996, the Information Technology Management Reform Act[5] was signed into law as part of the National Defense Authorization Act for Fiscal Year 1996, establishing the position of CIO in Federal agencies to (1) ensure that IT is acquired and information resources are managed for the executive agency; (2) develop, maintain, and facilitate the implementation of a sound and integrated IT architecture; and (3) promote the effective and efficient design and operation of all major information resources management processes.

On December 19, 2014, FITARA was enacted to strengthen the agency CIO role and provide greater accountability for the delivery of IT capabilities. The law requires specified Federal agencies to ensure that the CIO has authorities and responsibilities for IT-related planning, programming, budgeting, and processes. FITARA was also intended to improve agencies' IT acquisition processes and facilitate Congress' efforts to monitor agencies' progress and hold them accountable for reducing duplication and achieving cost savings. Further, FITARA requires each agency CIO to categorize IT investments according to risk and review those identified as having a high level of risk. FITARA includes specific provisions related to seven areas; our inspection focused on § 831, "Chief Information Officer authority enhancements,"[6] which requires that covered agencies' CIOs[7] review and approve IT acquisitions.

On June 10, 2015, the Office of Management and Budget (OMB) released agency guidance on FITARA implementation.[8] The guidance emphasizes the need for CIOs to have full accountability for IT acquisition and management decisions and gives agencies considerable flexibility in making those decisions. It also requires agencies to report spending on IT-related purchases and performance metrics for all major IT investments.[9]

## DOI Policies and Practices

DOI bureaus and offices are required to submit purchase requests in FBMS as part of the procurement process both for new acquisitions over the micropurchase threshold[10] and for any monetary increase to existing acquisition awards (including modifications to add products or services).[11]

DOI's FITARA implementation plan[12] states that the CIO engages with program-level leadership and cross-bureau governing bodies on all IT issues—including IT purchasing. Each bureau's Associate CIO (ACIO) reports to the Deputy Bureau Director (as the first line supervisor) and the CIO (as the second line supervisor). DOI policy implementing FITARA[13] states that bureaus and offices must ensure the CIO and Senior Procurement Executive, or a delegated authority where allowable, has (1) reviewed and approved acquisition strategies and plans for all IT investments and (2) ensured that IT acquisitions have proper IT approvals within FBMS. Unless otherwise authorized in writing by the CIO, purchase requests for IT acquisitions above the micropurchase threshold must be approved by an individual who reports to the ACIO, either directly or through a direct reporting chain. This approval must take place before completing most IT purchases to ensure

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[5] Pub. L. No. 104-106, 110 Stat. 679.

[6] We did not include the following six FITARA provisions in our scope: §§ 832-837, "Enhanced transparency and improved risk management in information technology investments," "Portfolio review," "Federal data center consolidation initiative," "Expansion of training and use of information technology cadres," "Maximizing the benefit of the Federal strategic sourcing initiative," and "Governmentwide software purchasing program."

[7] Federal agencies with component agencies typically have one CIO at the Federal agency (i.e., department) and may have an official with the title of CIO within each component agency (i.e., bureau or office).

[8] OMB Memorandum M-15-14, *Management and Oversight of Federal Information Technology*, https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2015/m-15-14.pdf.

[9] As defined in the OMB memorandum, a "major IT investment" is "[a]n IT investment requiring special management attention because of its importance to the mission or function to the [G]overnment; significant program or policy implications; high executive visibility; high development, operating, or maintenance costs; unusual funding mechanism; or definition as major by the agency's capital planning and investment control process."

[10] Micropurchases are a method to procure supplies and services below a set level. Currently, the micropurchase threshold is set at $10,000.

[11] DOI-AAAP-0035, *Acquisition Purchase Requests*, dated May 17, 2023.

[12] *U.S. Department of the Interior Federal Information Technology Acquisition Reform Act Common Baseline and Implementation Plan*, Version 2.0, dated Nov. 13, 2015.

[13] DOI-AAAP-0147, *Requirements and Process for Annual Information Management and Technology Acquisition Planning*, dated Jan. 10, 2023.

consistency with the bureau's CIO-approved IT-related acquisition strategies and plans and verify the funds are available and committed for the purchases.

Bureaus and offices are required to include specific data when submitting purchase requests in FBMS, such as issuing office, originating office, supervisory approver, user product code (UPC), accounting information, and delivery address. The UPC is an important label in accounting for and classifying purchases—when combined with the line-item unit price, the UPC automatically identifies the required approvers. However, the UPC is not static, and approved staff can change it at any time.

As of June 17, 2024, there were 9,456 DOI-generated UPCs available to classify purchase requests in FBMS; 662 of these UPCs require IT approval. For example, an IT purchase request using a UPC classified as hardware or software maintenance requires IT approval. However, an IT purchase request using an "other" UPC category (e.g., "Other Professional Services," "Other Administrative Support Services," or "Other Management Support Services") does not require IT approval.

**9,456**
UPCs **available** in FBMS.

**662**
UPCs automatically routed for **IT approval**.

## Results of Inspection

We found that DOI did not fully comply with FITARA and DOI policies. Specifically, OCIO and DOI's bureaus and offices did not properly classify purchases as IT and consequently did not receive required ACIO or delegated official approvals. Entering the appropriate UPCs identifies the required approvals when staff submit purchase requests in FBMS. Bureaus and offices used incorrect UPCs to classify IT purchases as non-IT; therefore, these purchases were not routed for the appropriate IT approval in FBMS. This occurred due to the large quantity of UPCs available (nearly 10,000) to select using a search feature or a dropdown menu in FBMS—only 7 percent of which are IT-related—and a lack of guidance and training. This has resulted in a lack of awareness of DOI's IT purchases as well as inaccurate tracking of IT spending at the OCIO level. Allowing this issue to persist may also increase the risk of malicious software if IT purchases installed on DOI networks go unapproved and could potentially lead to duplicated IT solution purchases across DOI.

We focused our inspection on the following frequently used "other" UPCs: "Other Professional Services," "Other Administrative Support Services," and "Other Management Support Services." We selected these categories because when conducting our initial data analysis, we identified instances in which IT-related purchases were incorrectly classified as non-IT, and purchase requests using "other" UPCs are not routed for ACIO or delegated official approvals. Also, from FYs 2022 through 2024, these three UPCs were the most commonly used within DOI. Specifically, we identified a total of 190,289 DOI purchase requests totaling $26.1 billion from October 2021 through July 2024. Out of these purchase requests, we identified 8,764 that used the three "other" UPC categories discussed above, totaling $903.6 million for our sample selection.

To determine whether IT purchase requests were appropriately reviewed and approved, we selected 167 purchases totaling approximately $52 million across the following DOI bureaus and offices:

- Bureau of Indian Affairs (BIA)
- Bureau of Indian Education (BIE)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Land Management (BLM)
- Bureau of Reclamation (BOR)
- Bureau of Trust Funds Administration (BTFA)
- National Park Service (NPS)
- U.S. Fish and Wildlife Service (FWS)

- U.S. Geological Survey (USGS)
- Interior Business Center (IBC)
- OCIO
- Office of the Secretary (OS)
  - Office of Employee Development
  - Office of Occupational Safety and Health
  - Office of Aviation Services
  - Business Integration Office

"Other" purchase requests related to IT are not easily identifiable in FBMS. To identify these purchase requests, we examined the purchase description for IT keywords and checked whether the vendor codes related to IT. We assigned a level of IT probability and selected a judgmental sample of purchases for testing. Attachment 1 provides more detail on our sampling methodology.

## Bureaus and Offices Did Not Properly Classify and Obtain Required Approvals for IT Purchases

Based on our review of the 167 sampled purchases totaling approximately $52 million, we found that 98 purchases totaling nearly $40 million (nearly 77 percent of the total amount spent) were associated with IT-related purchase requests that were inappropriately classified as non-IT using the "other" UPCs (see Figure 1). For each sampled purchase request, we compared the acquisition statement of work retrieved from FBMS with OCIO's FY 2024 common IT purchase spreadsheet[14] to determine if any common IT items more closely matched the statement of work and were likely related to IT. We then reviewed the UPC descriptions to identify the UPC that should have been selected for these purchases in lieu of the three "other" categories. See Attachment 3 for details associated with each purchase request.

### Figure 1: Misclassified IT Purchases

| Bureau/ Office | No. of Sampled Purchases[15] | Amount | No. Misclassified | Amount Misclassified | % of Purchases Misclassified | % of Amount Misclassified |
|---|---|---|---|---|---|---|
| BIA | 12 | $5,400,482 | 6 | $4,781,518 | 50 | 89 |
| BIE | 4 | $610,531 | 2 | $559,400 | 50 | 92 |
| BOEM | 1 | $20,000 | 1 | $20,000 | 100 | 100 |
| BLM | 25 | $3,775,777 | 16 | $2,877,634 | 64 | 76 |
| BOR | 1 | $56,164 | 0 | – | 0 | 0 |
| BTFA | 4 | $1,648,332 | 2 | $795,000 | 50 | 48 |
| NPS | 23 | $1,278,207 | 17 | $1,032,991 | 74 | 81 |
| FWS | 3 | $369,164 | 1 | $80,570 | 33 | 22 |
| USGS | 6 | $269,853 | 4 | $148,394 | 67 | 55 |
| IBC | 4 | $690,516 | 4 | $690,516 | 100 | 100 |
| OCIO | 10 | $876,690 | 10 | $876,690 | 100 | 100 |
| OS | 74 | $36,870,588 | 35 | $28,113,099 | 47 | 76 |
| **Totals** | **167** | **$51,866,304** | **98** | **$39,975,811** | **59%** | **77%** |

We discussed the results of our UPC determination with the bureaus and offices and confirmed our conclusions with OCIO. We note that, in some instances, bureau staff did not agree that the purchase should have been designated as IT-related. For example, for multiple web subscription transactions we identified, bureau staff told us the "other" category was appropriate because the subscription service was for managers, human resources staff, and senior executives to equip them with best practices and proven strategies for common workplace challenges and decision making. OCIO, however, stated that these transactions should have been classified as IT-related because they involved online access to technology-based resources, tools, and information that support cybersecurity operations and management within Federal agencies.

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[14] This spreadsheet provides a list of common IT purchases for DOI and helps with tracing a specific item to an appropriate UPC. Specifically, the spreadsheet has four tabs that list (1) common IT purchases, (2) UPCs and product service codes that trace to the common IT purchases, (3) IT-related product services codes with descriptions, and (4) IT-related UPCs with descriptions.

[15] As part of our sample, we identified 69 non-IT purchases totaling $11.9 million that could be incorrectly classified using the UPC of "other" and might not be receiving the proper approval (e.g., fleet vehicle approval). However, we did not extend our review of these purchases beyond the UPC because FITARA and DOI IT policy do not apply to these purchases.

As a result of the issues we identified, the misclassified purchase requests, spanning 11 of the 12 bureaus and offices, did not obtain the required IT approval in FBMS.

## Factors Contributing to the Incorrect Classification of IT Purchases

Several factors contributed to the incorrect classification of IT purchase requests that ultimately resulted in the absence of appropriate approvals:

- **Large Quantity of UPCs:** The size of the UPC list, with nearly 10,000 UPCs available to classify purchase requests, contributed to overuse of the "other" classification. Officials from eight bureaus and offices stated that staff selected the "other" UPCs because of difficulty finding UPCs for IT service-related work; staff instead relied on UPCs they had previously used. In addition, multiple bureau ACIOs stated that staff entering purchase requests relied on acquisition personnel to correct the UPCs; however, as our work demonstrates, these corrections may not occur, and the purchases may remain incorrectly classified. This, in turn, means that the IT approval process in FBMS will not occur, and the ACIO will be unaware of IT purchases.

- **Lack of guidance:** We surveyed DOI staff responsible for creating purchase requests at 11 bureaus and offices as well as the purchase request approvers and asked what assistance staff needed to select the appropriate UPC. Six bureaus and offices responded they would find a more user-friendly UPC list and additional guidance helpful. In addition, staff stated that more detailed explanations of UPCs—such as examples of items that use a particular UPC—would assist them in their UPC selection. Although OCIO provided the FY 2024 common IT purchase spreadsheet to ACIOs to serve as guidance for classifying and recording IT purchases, not everyone responsible for creating purchase requests received a copy. In addition, the spreadsheet does not provide clear guidance on what requestors should do if they are unsure whether the service being acquired is related to IT.

- **Lack of training:** Bureau and office staff told us that they did not understand that selecting the "other" UPCs would exempt purchases from the IT approval process. Bureaus and offices selected the wrong UPCs when acquiring IT because staff did not have specific training on how to identify the appropriate UPC for IT-related purchase requests. Staff from 10 of the bureaus and offices responding to our survey stated that they did not believe that they had received adequate training to select and approve the appropriate UPCs. We did not identify any specific training in this area in DOI training courses.[16]

## Misclassifying IT Purchases Can Lead to Inefficiencies, Cybersecurity Risks, and Regulatory Noncompliance

Without the appropriate UPCs and FBMS approvals, IT purchases are not easily identifiable, which impedes OCIO's ability to accurately track IT purchases and the amount of funds that bureaus and offices spent on IT-related purchases across DOI. Without IT approvals and OCIO's awareness of all IT purchases, DOI faces the following challenges:

- A higher chance of investing in redundant or unnecessary IT solutions.

- Increased risk of breaches or other vulnerabilities if IT purchases do not meet cybersecurity requirements.

- Noncompliance with agency and Federal regulations and standards for IT purchases.

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[16] We conducted our search in DOI's online learning training and management system, DOI Talent. The system contains instructor-led courses sponsored by various DOI bureaus and offices as well as online courses. The courses cover a wide range of career development, supervisory, leadership, and mission-essential topics.

# Conclusion and Recommendations

We found that nearly $40 million of the $52 million in IT-related purchase requests we tested were incorrectly classified as "other" services and did not receive the appropriate ACIO approval in FBMS as required. The large quantity of UPCs available in FBMS and lack of guidance and training contributed to the incorrect classification of IT purchase requests and subsequent missing approvals. This deficiency puts DOI's IT infrastructure at risk and diminishes OCIO's ability to accurately track IT spending.

We provided a draft of this report to OCIO for review. OCIO concurred with our recommendations, and we consider all recommendations resolved. We determined that Recommendation 1 is significant and will be reported as such in our semiannual report to Congress in accordance with the Inspector General Act.[17] Below we summarize OCIO's response to our recommendations, as well as our comments on its response. See Attachment 4 for the full text of OCIO's response; Attachment 5 lists the status of each recommendation.

We recommend that OCIO:

1. Assess and update its IT-related user product code list to streamline the selection process for Financial and Business Management System users.

   **OCIO Response:** OCIO concurred with this recommendation and stated that, in collaboration with the Business Integration Office (BIO) and applicable stakeholders responsible for UPC oversight, OCIO "will assess and, where appropriate and feasible, will update Interior's IT-related UPC list to streamline the selection process" for FBMS users. OCIO also stated that, as part of the assessment, it will "determine the necessary level of granularity within the UPCs to ensure effective oversight of IT spending."

   OCIO provided a March 31, 2026 target implementation date for updating its IT-related UPC list; however, OCIO stated it will not have the updated list fully incorporated into FBMS until the end of FY 2026.

   **OIG Comment:** Based on OCIO's response, we consider this recommendation resolved. We will consider it implemented when OCIO provides evidence of an updated IT-related UPC list.

2. Develop a user product code guide with examples of IT-related purchases for which these codes may be used.

   **OCIO Response:** OCIO concurred with this recommendation and stated it "will review and update existing documents and will develop a UPC guide, including examples of IT-related purchases for which the codes may be used." OCIO also stated it "will review and update this guidance in alignment with the actions taken to address Recommendation 1" and will "ensure the UPC guide and examples are provided to the acquisition community and FBMS purchase request submitters and approvers."

   OCIO provided an April 30, 2026 target implementation date.

   **OIG Comment:** Based on OCIO's response, we consider this recommendation resolved. We will consider it implemented when OCIO provides evidence that it has developed the UPC guide and provided it to those responsible for creating and approving purchase requests.

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[17] The Inspector General Act of 1978, 5 U.S.C. § 405(b), requires inspectors general to prepare semiannual reports summarizing OIG activities during the immediately preceding six-month periods ending March 31 and September 30. It also states that these semiannual reports shall include an identification of each "significant recommendation" described in previous semiannual reports on which corrective action has not been completed.

3. Develop and provide training to purchase request creators and approvers on how to identify the appropriate user product codes for IT-related purchase requests.

   **OCIO Response:** OCIO concurred with this recommendation and stated that, in collaboration with the Office of Acquisition and Property Management and BIO, "OCIO will develop and/or update training materials and will provide training on how to identify the appropriate UPCs for IT-related purchase requests." OCIO also stated it will "ensure the guidance and training are provided or made available to the broad acquisition community and FBMS purchase request submitters and approvers." OCIO further said it "will develop and provide this training in alignment with the actions taken to address Recommendations 1 and 2."

   OCIO provided an April 30, 2026 target implementation date.

   **OIG Comment:** Based on OCIO's response, we consider this recommendation resolved. We will consider it implemented when OCIO provides evidence that it has developed and/or updated training materials and provided or made them available to those responsible for creating and approving purchase requests.

4. Require all affected bureaus and offices to develop a review process to examine their purchase requests originally classified as "other" and reclassify any purchases with an appropriate IT user product code as necessary.

   **OCIO Response:** OCIO concurred with this recommendation and stated it "will require all affected bureaus and offices to develop a review process to examine their purchase requests originally classified as 'other' and reclassify any purchases with an appropriate IT user product code as necessary." OCIO also stated, "This request will be limited to purchase requests that remain active or those that are still valid for reclassification."

   OCIO provided a March 31, 2026 target implementation date.

   **OIG Comment:** Based on OCIO's response, we consider this recommendation resolved. We will consider it implemented when OCIO provides evidence that the bureaus and offices have reviewed their purchase requests and reclassified any in which an inappropriate UPC was used.

We will track open recommendations for resolution and implementation. We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions about this report, please contact me at aie_reports@doioig.gov.


Attachments (5)

# Attachment 1: Scope and Methodology

## Scope

Our inspection focused on purchases that were not classified as IT in the Financial and Business Management System (FBMS) to determine if these purchases received proper approval. We reviewed purchases recorded as "other" within FBMS to determine a population of purchase requests from October 1, 2021, through July 8, 2024, that were potentially related to IT. Specifically, we selected the following most frequently used user product codes (UPCs) for our sample: "Other Professional Services," "Other Administrative Support Services," and "Other Management Support Services."

## Methodology

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

To accomplish our objectives, we:

- Reviewed applicable laws and regulations, including the Federal Information Technology Acquisition Reform Act (FITARA) and Office of Management and Budget Memorandum M-15-14, *Management of Federal Information Technology* (June 10, 2015), and gained a detailed understanding of the Office of the Chief Information Officer (OCIO) role and responsibilities.

- Reviewed U.S. Department of the Interior (DOI) Acquisition, Arts and Asset Policy Nos. 0147, *Requirements and Process for Annual Information Management and Technology Acquisition Planning*, dated January 10, 2023, and 0035, *Acquisition Purchase Requests*, dated May 17, 2023, to determine the approval process for IT acquisitions.

- Interviewed officials, including OCIO management and staff.

- Analyzed purchase requests and supporting documentary evidence to determine whether a proper UPC was selected and verified if appropriate IT approval was obtained as required by FITARA and DOI policy.

- Obtained testimonial evidence via questionnaires from the purchase request creators and supervisory approvers about the purchases using "other" UPCs for IT acquisitions.

- Interviewed bureau ACIOs to gain an understanding of their roles and responsibilities for reviewing and approving IT purchases.

We used data from DOI's FBMS in conducting this inspection. From October 1, 2021, through July 8, 2024, DOI recorded 190,289 purchase requests totaling $26.1 billion across all UPCs. We determined from that population that 8,764 purchase requests totaling $903.6 million were classified with the following UPCs: "Other Professional Services," "Other Administrative Support Services," and "Other Management Support Services."

"Other" purchase requests related to IT are not easily identifiable in FBMS. To identify these purchase requests, we examined the purchase description for IT keywords and checked whether the vendor's North American Industry Classification System (NAICS)[18] code related to IT. This gave us information to stratify purchases into the following IT-related probability categories:

- High: both the description and vendor related to IT.

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[18] The NAICS is the standard Federal statistical agencies use in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

- Medium: either the description or vendor related to IT.

- Low: neither the description nor vendor related to IT.

We assigned a level of probability[19] that the purchase could be IT-related and selected a judgmental sample of purchases for testing. Specifically, from the "other" UPC populations, we judgmentally selected 167 purchases (see Figure 3) for testing across the DOI bureaus and offices discussed in the "Results of Inspection" section of our report. We used auditor judgment to determine the degree of testing performed in each area of probability. Our sample selections were not generated using statistical sampling, and therefore we did not project the results of our tests to the total population of purchases.

**Figure 2: Population and Sample Breakout**

| IT Probability | Population Size | Amount (in millions) | Sample Size | Amount (in millions) |
|---|---|---|---|---|
| High | 157 | $42.2 | 54 | $24.6 |
| Medium | 2,146 | $281.8 | 88 | $23.3 |
| Low | 6,461 | $579.6 | 25 | $3.9 |
| **Totals** | **8,764** | **$903.6** | **167** | **$51.8** |

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[19] Using the nomenclature of the purchases and the NAICS codes, we determined high, medium, or low probability categories for whether the purchases could be related to IT.

# Attachment 2: List of Common DOI IT Purchases

The Office of the Chief Information Officer maintains a list of common IT purchases, which serves as guidance for classifying and recording IT purchases—98 of our sampled purchases fell under service-related IT acquisitions.

| Hardware | Software | Service |
|---|---|---|
| • Projector | • Business Process Software | • Conferencing and A/V Services |
| • Camera | • Cloud Software | • Cloud Computing |
| • Webcams and Media | • Conferencing and A/V Software | • Cloud Hosting |
| • Computer Battery | • Education Software | • Cloud Storage |
| • Docking Station | • End User Software | • Infrastructure as a Service (IaaS) |
| • External Hard Drive | • General Desktop/Laptop Software | • Platform as a Service (PaaS) |
| • Keyboard | • Geographic Information System Desktop/Laptop Software | • Data Center/Server Services |
| • Monitor | | • Help Desk |
| • Mouse | • Mission Support Software | • Network Services |
| • Power Supply | • Structured Query Language, Other Database Licenses | • Wi-Fi Services |
| • Speakers | | • Printing Services |
| • USB Card Reader | • Radio Software | • IT Services/Consulting/Contractor Support |
| • Desktop | • Security Appliance (Firewalls, Intrusion Detection System, etc.) | |
| • Laptop | | • Management Consulting Services |
| • Server | • Server/Infrastructure Software | |
| • GPS Device (including satellite phone) | • Telecom/Voice over Internet Protocol Software | • Program, Product, & Project Management Services |
| • Cell Phone | | • Radio Services |
| • Tablet /iPad | | • Satellite Services |
| • Wi-Fi Hotspot/Jetpack | | • IT Security & Compliance Services |
| • Modem | | • Software/Application Development Services |
| • Router | | |
| • Video Surveillance System (VSS) | | • Software as a Service (SaaS) |
| • Copier | | • Backup/Tape Services |
| • Printer | | • Telecom Installation Services (Cabling Plant Installation, Voice, etc.) |
| • Scanner | | |
| • Radio Equipment | | • Telecom Services |
| • Wildlife monitoring tags/sensors | | • Cell Services |
| • Backup Drive | | • Landline Phone Services |
| • Offline Storage | | |
| • Landline Phone System (not cellphones/service) | | |

# Attachment 3: Sampled Purchase Requests Without IT Approval

We identified 98 purchase requests, totaling approximately $40 million, for IT-related purchases that did not receive approval in the Financial and Business Management System (see the purchase requests and associated amounts by bureau and office below).

| Bureau | Purchase Request No. | Description | Net Price |
|---|---|---|---|
| Bureau of Indian Affairs | 40585497 | Landline Phone Services | $ 22,800.00 |
| | 40608728 | Software as a Service | $ 2,590,896.69 |
| | 40608728 | Software as a Service | $ 2,009,139.90 |
| | 40609454 | Cloud Computing | $ 66,040.88 |
| | 40649142 | IT Services/Consulting/ Contractor Support | $ 67,640.06 |
| | 40560068 | Platform as a Service | $ 25,000.00 |
| Bureau of Indian Education | 40611188 | Software as a Service | $ 544,400.00 |
| | 40621043 | Telecom Services | $ 15,000.00 |
| Bureau of Land Management | 40600082 | Software/Application Development Services | $ 18,483.19 |
| | 40653256 | IT Services/Consulting/ Contractor Support | $ 250,000.00 |
| | 40663074 | IT Services/Consulting/Contractor Support | $ 145,838.01 |
| | 40663074 | IT Services/Consulting/Contractor Support | $ 56,370.48 |
| | 40663074 | IT Services/Consulting/Contractor Support | $ 16,802.72 |
| | 40586979 | Wi-Fi Services | $ 24,156.00 |
| | 40639881 | Software/Application Development Services | $ 18,945.28 |
| | 40641277 | GIS Desktop/Laptop Software | $ 87,360.00 |
| | 40604480 | Software/Application Development Services | $ 15,494.31 |
| | 40629142 | Program, Product, & Project Management Services | $ 26,182.00 |
| | 40588009 | IT Services/Consulting/Contractor Support | $ 13,714.40 |
| | 40576674 | IT Services/Consulting/Contractor Support | $ 121,730.00 |
| | 40608419 | IT Services/Consulting/Contractor Support | $ 135,867.60 |
| | 40608417 | IT Services/Consulting/Contractor Support | $ 135,867.60 |
| | 40576624 | Software as a Service | $ 916,594.00 |
| | 40576624 | Software as a Service | $ 894,228.00 |
| Bureau of Ocean Energy Management | 40594354 | Cell Service | $ 20,000.00 |
| Bureau of Trust Funds Administration | 40602824 | Software as a Service | $ 375,000.00 |
| | 40620315 | Software as a Service | $ 420,000.00 |
| U.S. Fish and Wildlife Service | 40576952 | IT Services/Consulting/Contractor Support | $ 80,569.92 |

| Bureau | Purchase Request No. | Description | Net Price |
|---|---|---|---|
| Interior Business Center | 40626451 | IT Services/Consulting/Contractor Support | $ 277,266.11 |
| | 40626451 | IT Services/Consulting/Contractor Support | $ 19,219.14 |
| | 40663679 | IT Services/Consulting/Contractor Support | $ 25,542.35 |
| | 40663679 | IT Services/Consulting/Contractor Support | $ 368,488.32 |
| National Park Service | 40582975 | IT Services/Consulting/Contractor Support | $ 76,174.92 |
| | 40582975 | IT Services/Consulting/Contractor Support | $ 205,527.60 |
| | 40582975 | IT Services/Consulting/Contractor Support | $ 30,553.45 |
| | 40582975 | IT Services/Consulting/Contractor Support | $ 37,750.00 |
| | 40582975 | IT Services/Consulting/Contractor Support | $ 67,000.00 |
| | 40582975 | IT Services/Consulting/Contractor Support | $ 95,800.00 |
| | 40594813 | Software as a Service | $ 13,700.00 |
| | 40608137 | Structured Query Language, Other Database Licenses | $ 69,513.61 |
| | 40663103 | Camera | $ 21,295.98 |
| | 40581057 | IT Services/Consulting/Contractor Support | $ 158,630.00 |
| | 40635298 | Structured Query Language, Other Database Licenses | $ 21,819.18 |
| | 40564307 | Platform as a Service | $ 23,994.52 |
| | 40613926 | Platform as a Service | $ 75,000.00 |
| | 40613926 | Platform as a Service | $ 50,000.00 |
| | 40564307 | Platform as a Service | $ 25,527.67 |
| | 40564307 | Platform as a Service | $ 35,703.94 |
| | 40613926 | Platform as a Service | $ 25,000.00 |
| Office of the Chief Information Officer | 40618217 | Telecom Services | $ 283,104.44 |
| | 40558070 | Software/Application Development Services | $ 11,659.95 |
| | 40604033 | IT Security & Compliance Services | $ 180,000.00 |
| | 40558315 | IT Security & Compliance Services | $ 12,623.60 |
| | 40562024 | Platform as a Service | $ 180,000.00 |
| | 40562836 | Structured Query Language, Other Database Licenses | $ 14,149.60 |
| | 40600375 | IT Security & Compliance Services | $ 13,288.00 |
| | 40600375 | IT Security & Compliance Services | $ 26,691.29 |
| | 40604234 | IT Security & Compliance Services | $ 14,149.60 |
| | 40620379 | Platform as a Service | $ 141,024.00 |

| Bureau | Purchase Request No. | Description | Net Price |
|---|---|---|---|
| | 40577164 | Structured Query Language, Other Database Licenses | $ 1,298,759.69 |
| | 40595516 | Cloud Hosting | $11,358,828.91 |
| | 40577627 | Software as a Service | $ 47,640.00 |
| | 40565572 | Software as a Service | $ 104,232.19 |
| | 40649529 | Software as a Service | $ 13,669.51 |
| | 40619018 | Software as a Service | $ 50,490.00 |
| | 40652362 | Software as a Service | $ 111,656.13 |
| | 40627972 | IT Services/Consulting/Contractor Support | $ 196,800.00 |
| | 40659567 | Software as a Service | $ 54,045.00 |
| | 40577627 | Software as a Service | $ 29,142.00 |
| | 40565572 | Software as a Service | $ 134,891.46 |
| | 40619018 | Software as a Service | $ 30,888.00 |
| | 40652362 | Software as a Service | $ 144,499.41 |
| | 40565572 | Software as a Service | $ 185,675.24 |
| | 40565572 | Software as a Service | $ 50,654.31 |
| | 40612218 | Software as a Service | $ 192,173.87 |
| | 40612218 | Software as a Service | $ 334,109.84 |
| Office of the Secretary | 40612218 | Software as a Service | $ 52,426.37 |
| | 40592165 | IT Services/Consulting/Contractor Support | $ 112,240.00 |
| | 40635771 | Software as a Service | $ 12,315.00 |
| | 40587813 | IT Services/Consulting/Contractor Support | $ 114,602.03 |
| | 40660226 | IT Services/Consulting/Contractor Support | $ 6,000,000.00 |
| | 40639060 | IT Services/Consulting/Contractor Support | $ 6,357,748.10 |
| | 40659695 | Infrastructure as a Service | $ 12,452.85 |
| | 40572242 | Software as a Service | $ 14,529.18 |
| | 40659567 | Software as a Service | $ 33,057.00 |
| | 40612393 | Software as a Service | $ 56,574.47 |
| | 40652362 | Software as a Service | $ 25,385.28 |
| | 40654000 | Software as a Service | $ 521,081.07 |
| | 40590837 | IT Services/Consulting/Contractor Support | $ 120,350.00 |
| | 40577350 | IT Services/Consulting/Contractor Support | $ 145,815.00 |
| | 40634800 | IT Services/Consulting/Contractor Support | $ 19,450.00 |
| | 40567185 | IT Services/Consulting/Contractor Support | $ 41,160.00 |
| | 40658982 | IT Services/Consulting/Contractor Support | $ 100,000.00 |
| | 40615469 | Software as a Service | $ 5,757.09 |

| Bureau | Purchase Request No. | Description | Net Price |
|---|---|---|---|
| | 40577705 | Software as a Service | $ 18,734.00 |
| U.S. Geological Survey | 40625027 | Software as a Service | $ 47,700.00 |
| | 40557409 | IT Services/Consulting/Contractor Support | $ 50,000.00 |
| | 40611835 | Software/Application Development Services | $ 31,960.00 |

# Attachment 4: Response to Draft Report

The Office of the Chief Information Officer's response to our draft report follows on page 16.

# United States Department of the Interior

## OFFICE OF THE SECRETARY
Washington, DC 20240

August 25, 2025

Memorandum

To:      Nicki M. Miller
         Assistant Inspector General for Audits, Inspections, and Evaluations
         DOI, Office of Inspector General

From:     Paul A. McInerny
         Chief Information Officer
         Office of the Chief Information Officer

PAUL MCINERNY    Digitally signed by PAUL MCINERNY
Date: 2025.08.25 08:11:10 -04'00'

Subject:    OCIO Response to DRAFT OIG Report, *The U.S. Department of the Interior Did Not Always Appropriately Classify and Approve Information Technology Purchases* (2024-ISP-031)

Thank you for the opportunity to review and comment on the draft report titled *The U.S. Department of the Interior Did Not Always Appropriately Classify and Approve Information Technology Purchases (2024-ISP-031)*. The Department of the Interior (Department, Interior), Office of the Chief Information Officer (OCIO) appreciates the Office of Inspector General's (OIG's) work in planning this engagement, conducting its inspection, and issuing the report on our classification and approval process for IT-related purchases. The information contained in the report will assist us in successfully moving forward with the improvements to our IT Acquisitions processes throughout the Department. The Interior/OCIO leadership understands the importance of strengthening the Department's oversight over IT spending. This memorandum, including attachment(s), responds to the draft report and will be emailed to aie_reports@doioig.gov as requested.

If you have any questions, please contact Cameron Matthews, Acting Deputy Chief Information Officer, Resource Management Division, at cameron_matthews@ios.doi.gov.

**Attachment 1:** Recommendations and Management Response

Cc:     Sherrill E. Exum, Chief, Audit Management Division, Office of Financial Management
        Alex Hurd, Chief, Portfolio Development Branch
        Jason Swegle, Chief, Governance, Risk, and Compliance Branch, OCIO

**Attachment 1: Recommendations and Management Responses to *The U.S. Department of the Interior Did Not Always Appropriately Classify and Approve Information Technology Purchases (2024-ISP-031)***

**Recommendation 1:** We recommend that OCIO assess and update its IT-related user product code list to streamline the selection process for Financial and Business Management System users.

**Management Response:** Concur. The OCIO concurs with the recommendation. In collaboration with the Business Integration Office (BIO) and applicable stakeholders responsible for the oversight of user product codes (UPCs), the OCIO will assess and, where appropriate and feasible, will update Interior's IT-related UPC list to streamline the selection process for Financial and Business Management System (FBMS) users. As part of this assessment, the OCIO will determine the necessary level of granularity within the UPCs to ensure effective oversight of IT spending. The OCIO will coordinate to finalize the proposed refinements to IT-related UPCs by the end of Quarter 2 of fiscal year (FY) 2026; however, the majority of the UPC changes will likely not be implemented in the FBMS until the end of the Fiscal Year.

**Responsible Official:** Cameron Matthews, Acting Deputy CIO, Resource Management Division

**Task Managers:** Alex Hurd, Chief, Portfolio Development Branch

**Target Date:** March 31, 2026

**Recommendation 2:** We recommend that the OCIO develop a user product code guide with examples of IT-related purchases for which these codes may be used.

**Management Response:** Concur. The OCIO concurs with the recommendation. The OCIO will review and update existing documents and will develop a UPC guide, including examples of IT-related purchases for which the codes may be used. The OCIO will review and update this guidance in alignment with the actions taken to address Recommendation 1. The OCIO will coordinate with the Office of Acquisition and Property Management (PAM) and the BIO to ensure the UPC guide and examples are provided to the acquisition community and FBMS purchase request submitters and approvers.

**Responsible Official:** Cameron Matthews, Acting Deputy CIO, Resource Management Division

**Task Managers:** Alex Hurd, Chief, Portfolio Development Branch

**Target Date:** April 30, 2026

**Recommendation 3:** We recommend that the OCIO develop and provide training to purchase request creators and approvers on how to identify the appropriate user product codes for IT-related purchase requests.

**Management Response:** Concur. The OCIO concurs with the recommendation. In collaboration with the PAM and the BIO, the OCIO will develop and/or update training materials and will

provide training on how to identify the appropriate UPCs for IT-related purchase requests. The OCIO will coordinate with PAM and the BIO to ensure the guidance and training are provided or made available to the broad acquisition community and FBMS purchase request submitters and approvers. The OCIO will develop and provide this training in alignment with the actions taken to address Recommendations 1 and 2.

**Official Manager:** Cameron Matthews, Acting Deputy CIO, Resource Management Division

**Task Manager:** Alex Hurd, Chief, Portfolio Development Branch

**Target Date:** April 30, 2026


**Recommendation 4**: We recommend that the OCIO require all affected bureaus and offices to develop a review process to examine their purchase requests originally classified as "other" and reclassify any purchases with an appropriate IT user product code as necessary.

**Management Response:** Concur. The OCIO concurs with the recommendation. The OCIO will require all affected bureaus and offices to develop a review process to examine their purchase requests originally classified as "other" and reclassify any purchases with an appropriate IT user product code as necessary. This request will be limited to purchase requests that remain active or those that are still valid for reclassification.

**Responsible Official:** Cameron Matthews, Acting Deputy CIO, Resource Management Division

**Task Managers:** Alex Hurd, Chief, Portfolio Development Branch

**Target Date:** March 31, 2026

# Attachment 5: Status of Recommendations

| Recommendation | Status | Action Required |
|---|---|---|
| **2024-ISP-031-01**<br>We recommend that the Office of the Chief Information Officer (OCIO) assess and update its IT-related user product code list to streamline the selection process for Financial and Business Management System users.<br><br>**2024-ISP-031-02**<br>We recommend that OCIO develop a user product code guide with examples of IT-related purchases for which these codes may be used.<br><br>**2024-ISP-031-03**<br>We recommend that OCIO develop and provide training to purchase request creators and approvers on how to identify the appropriate user product codes for IT-related purchase requests.<br><br>**2024-ISP-031-04**<br>We recommend that OCIO require all affected bureaus and offices to develop a review process to examine their purchase requests originally classified as "other" and reclassify any purchases with an appropriate IT user product code as necessary. | **Resolved** | We will track implementation. |

# REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.

## WHO CAN REPORT?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

## HOW DOES IT HELP?

Every day, DOI employees and non-employees alike contact OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for DOI, its employees, and the public.

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waste, abuse, or mismanagement in DOI,
please visit OIG's online hotline at **www.doioig.gov/hotline**
or call OIG's toll-free hotline number: **1-800-424-5081**