



July 30, 2025

Duane E. Townsend
Acting Inspector General
Office of Inspector General
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

SUBJECT: External Peer Review Report

Dear Mr. Townsend:

We reviewed the system of quality control for the Department of Commerce (DOC) Office of Inspector General (OIG) in effect for the 3-year period ending March 31, 2025. A system of quality control includes multiple aspects of an organization, including, but not limited to, policies and procedures designed to provide reasonable assurance of complying with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE's) *Quality Standards for Inspection and Evaluation*, December 2020 (Blue Book).

In our opinion, the system of quality control for the DOC OIG in effect for the 3-year period ending March 31, 2025, has been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with the Blue Book.

Inspection and Evaluation (I&E) organizations can receive a rating of pass, pass with deficiencies, or fail. The DOC OIG has received an External Peer Review rating of pass.

Basis of Opinion

This required external peer review was conducted in accordance with CIGIE's *Guide for Conducting External Peer Reviews of Inspection and Evaluation Organizations of Federal Offices of Inspector General* (July 2023) and the Memorandum of Understanding between the Pension Benefit Guaranty Corporation (PBGC) OIG and the DOC OIG, entered into on March 27, 2025.

During our review, we met with DOC OIG personnel and obtained an understanding of the nature of DOC OIG's I&E function and the design of its system of quality control sufficient to assess the risks implicit in its I&E function. Based on our assessments, we

selected I&E reports and administrative files to test for conformity with Blue Book standards and compliance with DOC OIG's system of quality control.

In performing our review, we obtained an understanding of the system of quality control for DOC OIG's I&E function. In addition, we tested compliance with DOC OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of DOC OIG's policies and procedures on selected I&E reports. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with DOC OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. Enclosure 1 to this report identifies the I&E reports we reviewed.

DOC OIG management officials provided a response to our Peer Review Report (Enclosure 2) in which they agreed with our overall rating.

Responsibilities and Limitations

The DOC OIG is responsible for establishing and maintaining a system of quality control designed to provide reasonable assurance that the organization and its personnel comply in all material respects with Blue Book standards. Our responsibility is to express an opinion on the design of the system of quality control and the DOC OIG's compliance based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate.

Sincerely,

NICHOLAS
NOVAK

Digitally signed by
NICHOLAS NOVAK
Date: 2025.07.31
09:29:01 -04'00'

Nicholas J. Novak
Inspector General

Appendix I: Scope and Methodology

We reviewed compliance with the DOC OIG's system of quality control for inspections and evaluations in effect for the 3-year period ending March 31, 2025, to the extent we considered appropriate. We selected the following three reports for review because they were recent and were conducted by different DOC OIG units:

- *NIST Overstated MEP's Economic Impacts to Congress and Other Stakeholders*, OIG-24-037-I, September 25, 2024.
- *The National Weather Service Should Further Strengthen Its Protection of Essential Operational Technology*, OIG-25-012-I, February 27, 2025.
- *Broadband Stakeholders Identified Various Challenges Affecting Broadband Deployment*, OIG-25-014-I, March 20, 2025.

The PBGC OIG conducted an entrance conference on April 2, 2025. We also reviewed applicable DOC OIG policies and procedures, project files for selected reports, and training information.

Appendix II: Reviewed Organization's Comments to Draft Peer Review Report



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Office of Audit and Evaluation
Washington, DC 20230

July 30, 2025

Nicholas J. Novak
Inspector General
Pension Benefit Guaranty Corporation
Office of Inspector General
445 12th Street SW
Washington, DC 20024-2101

Dear Inspector General Novak:

Thank you for the opportunity to respond to the draft External Peer Review Report, dated July 7, 2025, on the U.S. Department of Commerce Office of Inspector General's inspection and evaluation organization for the 3-year period ending March 31, 2025. We agree with your conclusion that our system of quality control has been suitably designed and complied with to provide reasonable assurance that we are performing and reporting in conformity with applicable professional standards. We are pleased that your independent review of our inspection and evaluation operations resulted in a pass rating.

Please express my appreciation to your staff for their time, dedication, and professionalism during their diligent efforts to analyze our system of quality control. If you have any questions regarding our response, please contact me by email at dtownsend@oig.doc.gov or have your staff contact Arthur L. Scott, Jr., Acting Principal Assistant Inspector General, Office of Audit and Evaluation, at ascott@oig.doc.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Duane E. Townsend".

Duane E. Townsend
Acting Inspector General

