



United States Government
National Labor Relations Board
Office of Inspector General

Semiannual Report
April 1, 2017 – September 30, 2017

This report was produced by OIG personnel using a standard copier and supplies.

EXECUTIVE SUMMARY

I hereby submit this Semiannual Report for the period April 1, 2017 – September 30, 2017. This report summarizes the major activities and accomplishments of the Office of Inspector General of the National Labor Relations Board and its submission is in accordance with the Inspector General Act of 1978, as amended. Section 5 of the Inspector General Act requires that the Chairman transmit this report to the appropriate committees or subcommittees of Congress within 30 days of its receipt.

In the audit program, the Office of Inspector General issued one audit report and completed the Improper Payment Information Act report to Congress and the Office of Management and Budget. In the investigation program, the Office of Inspector General processed 112 contacts, initiated 7 cases, closed 8 cases, and issued 6 investigative reports. Two matters were referred to the U.S. Department of Justice. During the reporting period, our investigative efforts resulted in a conviction; two suspensions, one held in abeyance; a reprimand; and a counseling.

I appreciate the support of all Agency employees in achieving the accomplishments set forth in this report.

A handwritten signature in black ink, appearing to read "T. B. ...", is written over a faint circular stamp.

Inspector General
October 30, 2017

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AGENCY PROFILE

The National Labor Relations Board (NLRB or Agency) is an independent Federal agency established in 1935 to administer the National Labor Relations Act. The National Labor Relations Act is the principal labor relations law of the United States, and its provisions generally apply to private sector enterprises engaged in, or to activities affecting, interstate commerce. NLRB jurisdiction includes the U.S. Postal Service; however, other government entities, railroads, and airlines are not within NLRB's jurisdiction.

The NLRB seeks to serve the public interest by reducing interruptions in commerce caused by industrial strife. It does this by providing orderly processes for protecting and implementing the respective rights of employees, employers, and unions in their relations with one another. The NLRB has two principal functions: (1) to determine and implement, through secret ballot elections, the free democratic choice by employees as to whether they wish to be represented by a union in dealing with their employers and, if so, by which union; and (2) to prevent and remedy unlawful acts, called unfair labor practices, by either employers or unions.

NLRB authority is divided by law and delegation. The five-member Board primarily acts as a quasi-judicial body in deciding cases on formal records. The General Counsel investigates and prosecutes unfair labor practices before administrative law judges, whose decisions may be appealed to the Board, and, on behalf of the Board, conducts secret ballot elections to determine whether employees wish to be represented by a union.

The Board consists of the Chairman and four Members who are appointed by the President with the advice and consent of the Senate. Board Members serve staggered terms of 5 years each. The General Counsel is also appointed by the President with the advice and consent of the Senate and serves a term of 4 years.

Chairman Philip A. Miscimarra, Mark Gaston Pearce, and Lauren McFerran continued to serve as Members. During the reporting period, Marvin E. Kaplan and William J. Emanuel were sworn in as Members. Richard F. Griffin, Jr., continued to serve as the General Counsel.

NLRB Headquarters is located at 1015 Half Street, SE, Washington, DC. In addition to the Headquarters building, employees are located in 49 field offices and 2 satellite offices for administrative law judges. The NLRB has designated 26 of the 49 field offices as Regional Offices.

Additional information about the NLRB can be found at www.NLRB.gov.

OFFICE OF INSPECTOR GENERAL

NLRB established the Office of Inspector General (OIG) pursuant to the 1988 amendments to the Inspector General Act of 1978 (IG Act).

RESOURCES

During the reporting period, the OIG received sufficient funds to maintain its programs. In addition to the Inspector General, the OIG staff positions consist of a Counsel/Assistant Inspector General for Investigations, an Assistant Inspector General for Audits, three auditors, and a staff assistant. Additionally, the OIG staff is augmented by contract auditors. The Assistant Inspector General for Audits position is currently vacant. In our Fiscal Year (FY) 2018 budget submission to the Board, the Inspector General requested funding for two additional auditor positions, noting that the positions are necessary to ensure adequate oversight of the NLRB's mission functions.

AUDIT PROGRAM

The Inspector General is to provide policy direction for and is to conduct, supervise, and coordinate audits relating to program operations of the Agency. During the reporting period, the OIG issued one audit report and completed the Improper Payment Information Act report to Congress and the Office of Management and Budget

Reports Issued

We issued Audit Report OIG-AMR-79-17-01, **Backpay Payments**, on May 16, 2017. The audit was initiated after the OIG initiated an investigation of an alleged improper backpay disbursement in a particular Region. The audit objective was to determine whether the Agency disbursed, through an electronic funds transfer, payments from the U.S. Department of Treasury account to any individuals who were not discriminatees in the case for which the backpay was collected. Backpay disbursements by the Region involved in the investigation of backpay were not included in our review.

With the exception of returning backpay funds to respondents, our testing did not disclose any instance that the Agency disbursed, through an electronic funds transfer, payments from the U.S. Department of Treasury account to any individuals who were not discriminatees. Our testing also determined that the payee bank account information in the Backpay database was not reliable. We conducted compensating tests to address database reliability. Those tests did not disclose any disbursement of backpay to individuals that were not discriminatees or respondents. We verified that, as a result of the implementation of what management characterized as a new system, a historical record of the payee data for each backpay disbursement is now maintained. We therefore did not include a recommendation for corrective action.

We also observed various discrepancies in the backpay process. Rather than making recommendations to address the discrepancies, we determined that it is appropriate to initiate an audit to review the internal controls in the Backpay process.

On May 5, 2017, we complied with the provisions of the **Improper Payments Information Act**, as amended by the Improper Payments Elimination and Recovery Act, and reported to Congress and the Office of Management and Budget documenting our review of the Agency’s improper payment reporting in the Agency’s Performance and Accountability Report. We concurred with the Agency’s determination that the Agency does not have a risk of significant improper payments.

INVESTIGATION PROGRAM

The Inspector General is to provide policy direction for and is to conduct, supervise, and coordinate investigations relating to the programs and operations of the Agency. Two matters were referred to the U.S. Department of Justice (DOJ). During this reporting period, we processed 112 contacts, initiated 7 cases, closed 8 cases, and issued 6 investigative reports. During the reporting period, our investigative efforts resulted in a conviction; two suspensions, one held in abeyance; a reprimand; and a counseling.

Case Workload		Contacts Processed	
Open (4/1/2017)	12	Received	112
Initiated	7	Initiated Investigation	1
Closed	8	Opened Case -- Referred to Agency	0
Open (9/30/2017)	11	Non-Investigative Disposition	111

Investigative Highlights for Reports Issued, Cases Closed, and Referrals

We initiated two investigations involving time and attendance matters in a Regional Office. We closed both investigations without a finding of misconduct. One allegation involved a GS 15 supervisor, a senior Agency employee. (OIG-I-517 and OIG-I-518)

We investigated an allegation that an employee misappropriated backpay funds. We substantiated the allegation and determined that the amount of the misappropriation was approximately \$435,000. During this reporting period, the U.S. Attorney filed a Criminal Information, and the employee pled guilty to wire fraud and identity theft charges. (OIG-I-519)

We investigated an allegation that a GS 15 supervisor, a senior Agency employee, used official time and Agency resources for outside employment. We substantiated the allegation and issued a report. Management is considering appropriate disciplinary action. (OIG-I-522)

We investigated an allegation that a Regional Director, a senior Agency employee, was biased in the handling of a representation case matter. During the course of the investigation, the Regional Director retired and the representation case settled. We closed our investigation without issuing a report. (OIG-I-523)

We investigated a matter involving the NLRB's use of appropriated funds to pay for telephone and Internet service in the full-time work-at-home employees' homes without having the proper policies in place and that were certified by the head of the Agency. Because of the lack of certified policies, we determined that the use of NLRB appropriated funds to pay for telephone and Internet services in work-at-home employees' homes by the NLRB violated the Antideficiency Act. We issued a report recommending that an Antideficiency Act report be made to the President and Congress, with a copy to the Comptroller General. We closed the case. (OIG-I-526)

We investigated an allegation that an employee engaged in dual Federal employment. We substantiated the allegation and determined that the employee had 1 day of dual employment and that the employee submitted a false request for sick leave. We issued a report. The employee was counseled. In a prior reporting period, the matter was referred to DOJ and prosecution was declined. We closed the case. (OIG-I-527)

We investigated an allegation that an employee submitted a false request for compensatory time. Our investigation substantiated the allegation and we also found that the employee used official time and resources for outside employment activities. We issued a report. Management is considering appropriate disciplinary action. In a prior reporting period, the matter was referred to DOJ and prosecution was declined. (OIG-I-529)

We previously reported an investigation involving an allegation that a GS 15 supervisor, a senior level employee, represented an individual in a matter before another Federal agency in violation of 18 U.S.C. § 205. We substantiated the allegation and issued a report. During this reporting period, the employee received a reprimand. We closed the case. (OIG-I-531)

We previously reported an investigation involving an allegation that an employee threatened to harm fellow NLRB employees. We substantiated that the employee made threatening statements, but those statements were not always taken as an actual threat by the listener. As such, we determined that the employee was creating a disruption in the workplace and issued a report. Prosecution was declined. During this reporting period, the employee agreed to a 3-day suspension held in abeyance provided he does not engage in misconduct. We closed the case. (OIG-I-532)

We investigated a matter involving an allegation that an employee entered false information in the Agency's electronic case management system. We referred the matter for prosecution. After prosecution was declined, we proceeded with an administrative investigation. We substantiated the allegation and issued a report. Management and the employee agreed to a 2-day suspension. We closed the case. (OIG-I-534)

We investigated a matter involving an allegation that an employee improperly released information from an Official Personnel File. Our investigation substantiated that two employees engaged in misconduct related to the

information in the file. We issued an investigative report. Management is considering appropriate administrative action. (OIG-I-535)

In addition to the matters reported above, a matter involving a false statement was referred to DOJ. Prosecution was declined. The case is proceeding as an administrative matter. (OIG-I-539)

Hotline

Employees and members of the public with information on fraud, waste, and abuse are encouraged to contact the OIG. A log of calls to a nationwide toll-free number or the office numbers and a log of mail, email, and facsimile messages are maintained. All information received, regardless of the method used, is referred to as Hotline contacts. Hotline contacts are analyzed to determine if further inquiry or action is warranted.

During this reporting period, the OIG received 112 Hotline contacts, of which 55 were telephone calls or walk-ins and 57 were in writing.

Most Hotline contacts are from members of the public seeking help on an employment-related problem or issues outside OIG and/or Agency jurisdiction. As appropriate, the OIG refers those Hotline contacts to an NLRB Regional Office; local, state, or Federal agencies; or private resources to provide assistance.

LEGISLATION, REGULATIONS, AND POLICY

The responsibilities and duties of an OIG include reviewing existing and proposed legislation and regulations relating to the programs and operations of its agency and making recommendations in the semiannual reports concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the agency or the prevention and detection of fraud and abuse in such programs and operations.

Legislation

During the current Congress, 21 legislative proposals have been introduced that would amend the National Labor Relations Act or otherwise impact the programs and operations of the Agency:

H.R. 138	Protecting Employees and Retirees in Business Bankruptcies Act of 2017;
H.R. 156	Labor Relations First Contract Negotiations Act of 2017;
H.R. 744	Truth in Employment Act of 2017
H.R. 785 & S. 545	National Right-to-Work Act;
H.R. 933	Employee Empowerment Act;
H.R. 987 & S. 155	RAISE Act;
H.R. 986 & S. 63	Tribal Labor Sovereignty Act of 2017;
H.R. 1722 & S. 1594	Protecting American Jobs Act;
H.R. 2275	Giving Workers a Fair Shot Act;
H.R. 2578	Employee Benefits Protection Act of 2017;
H.R. 2629 & S. 1217	Representation Fairness Restoration Act;

H.R. 2723 & S. 1774 Employee Rights Act;
H.R. 2775 Employee Privacy Protection Act;
H.R. 2776 & S. 1350 Workplace Democracy and Fairness Act;
H.R. 3055 Freedom from Union Identity Theft Act;
H.R. 3056 Freedom from Union Stalking Act;
H.R. 3441 Save Local Business Act;
H.R. 3647 Save America Comprehensive Immigration Act of 2017;
H.R. 3671 Off Fossil Fuels for a Better Future Act;
H.R. 3827 & S. 1838 Protecting Workers and Improving Labor Standards
Act; and
S. 702 PLUS Act.

Regulations

The Inspector General is an advisory member of the Agency's Rules Revision Committee that develops changes to the Agency's procedural regulations.

LIAISON ACTIVITIES

The Inspector General is to recommend policies for, and is to conduct, supervise, or coordinate relationships between the Agency and other Federal agencies, state and local governmental agencies, and non-governmental entities. The Inspector General is to give particular regard to the activities of the Comptroller General of the United States. Similarly, we encourage OIG staff members to participate in Agency programs and activities.

Inspector General Community

The Inspector General is a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). This organization consists of Inspectors General at the Federal Government's departments and agencies. The Inspector General sits as member of the CIGIE Investigations Committee and the CIGIE Information Technology Committee.

The Assistant Inspector General for Audits, or designated auditors, participated in the Federal Audit Executive Council, Financial Statement Audit Network, and the Interagency Fraud and Risk Data Mining Group. The Counsel to the Inspector General participates in the Council of Counsels to Inspectors General.

Government Accountability Office

The IG Act states that each Inspector General shall give particular regard to the activities of the Comptroller General of the United States, as head of the Government Accountability Office, with a view toward avoiding duplication and ensuring effective coordination and cooperation.

INFORMATION REQUIRED BY THE ACT

Certain information and statistics based on the activities accomplished during this period are required by section 5(a) of the IG Act to be included in the semiannual report. These are set forth below:

(1), (2), (7) Other than as reported in the Audit Program and Investigation Program sections, the OIG did not identify significant problems, abuses or deficiencies relating to the administration of programs. For the purpose of this section, we used the definition of significant as set forth in the Federal Managers' Financial Integrity Act.

(3) There were 37 corrective actions described or otherwise noted in previous semiannual reports that have not been implemented. (See also 10(C) below) (Note: For OIG-AMR-73-15-01, 12 recommendations are now consolidated into a single recommendation and reported as such.)

(4) Two matters were referred to the U.S. Department of Justice (DOJ). Summaries of the matters are provided in the Investigative section of this report.

(5) No reports were made to the Board that information or assistance requested by the Inspector General was unreasonably refused or not provided.

(6) The following audit, inspection, and evaluation reports were issued during the reporting period:

Subject Matter and Title	Questioned Costs	Unsupported Costs	Funds To Be Put To Better Use
Case Processing			
Backpay Payments OIG-AMR-79-17-01	0	0	0

(8) Statistical Table of Reports with Questioned Costs:

	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the period	0	0	0
B. Which were issued during the reporting period	0	0	0
Subtotals (A+B)	0	0	0
C. For which a management decision was made during the reporting period	0	0	0
(i) Dollar value of disallowed costs	0	0	0
(ii) Dollar value of costs not disallowed	0	0	0
D. For which no management decision has been made by the end of the reporting period	0	0	0
Reports for which no management decision was made within six months of issuance	0	0	0

(9) Statistical Table of Recommendations that Funds be Put to Better Use:

	Number of Reports	Funds Be Put To Better Use
A. For which no management decision has been made by the commencement of the period	0	0
B. Which were issued during the reporting period	0	0
Subtotals (A+B)	0	0
C. For which a management decision was made during the reporting period	0	0
(i) Dollar value of recommendations that were agreed to by management	0	0
(ii) Dollar value of recommendations that were not agreed to by management	0	0
D. For which no management decision has been made by the end of the reporting period	0	0
Reports for which no management decision was made within six months of issuance	0	0

(10) For each audit, inspection, or evaluation issued before the commencement of the reporting period:

(A) There were no reports for which no management decision had been made by the end of the reporting period;

(B) There were no reports for which no establishment comment was returned within 60 days of providing the report to the establishment; and

(C) The following are the outstanding unimplemented recommendations:

Audit No.	Audit Summary and Link	Issued	Management Decision	Rec #	Recommendation with any Aggregate Cost Saving Noted
FY 2015					
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	1	Establish, document, and implement policies for performing open obligation reviews on a quarterly basis, including documented quality control procedures and approvals over the reviews.

OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	2	Establish, document, and implement policies to ensure accruals are recorded when goods and/or services are received throughout the fiscal year, at least on a quarterly basis, rather than at only year-end. Accruals recorded should be clearly documented with detailed methodologies to support the amounts recorded. The accrual methodologies should be reviewed and approved by appropriate program office personnel, with quality control review procedures and approvals performed and documented by Finance personnel.
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	4	Train responsible program office and Finance personnel on how to monitor obligations and report accruals on an ongoing basis to enhance compliance with the applicable requirements.
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	5	Perform a reconciliation for each GSA agreement to ensure that the obligations are valid, and documentation exists to clearly support that the goods or services ordered were provided by GSA on a timely basis. Coordination should be performed between Finance, Facilities and Property Branch, and GSA on an ongoing basis.
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	15	Finalize the Financial Manual documenting the procedures needed to ensure NLRB complies with applicable accounting, financial management and reporting standards and regulations. The manual should include specific procedures required to process JVs, including: (1) Verifying the accuracy of data on the JVs, (2) Ascertaining that the JVs and supporting documentation are properly authorized, and (3) Determination that the transactions are legal.
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	16	Review, implement, and monitor control activities related to the training and appointment of cardholders.

OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	17	Establish and implement procedures for periodic review of all active cardholders to determine whether each cardholder has a need for the purchase/travel card, and whether all applicable documentation, including completion of initial and refresher trainings, is maintained.
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	18	Establish policies for the maintenance of negative leave requests and supporting documentation in a centralized location.
OIG-F-19-15-01	Audit of the NLRB Fiscal Year 2014 Financial Statements	12/12/2014	12/12/2014	19	Perform a review of employees with negative sick balances to verify requests were approved in accordance with policies and procedures and to determine whether stated balances are valid.
Link to OIG-F-19-15-01					
OIG-AMR-73-15-01	Personnel Security	2/3/2015	2/3/2015	1	We recommend that the Director of Administration reorganize the Security Branch to ensure the following: A set of internal control activities that ensure that the Security Branch fulfills the personnel security function in compliance with Governmentwide regulations and policies; a method to monitor the Security Branch's compliance with and the effectiveness of the internal control activities; and the Security Branch is appropriately staffed to fulfill its mission.
Link to OIG-AMR-73-15-01					
OIG-AMR-75-15-02	Travel Cards	6/16/2015	6/16/2015	2	We recommend that the Finance Branch develop an internal control to ensure that all employees overseeing the travel card program, including those performing supervisory functions, meet the mandatory training requirements.
OIG-AMR-75-15-02	Travel Cards	6/16/2015	6/16/2015	3	We recommend that the Finance Branch develop and implement procedures to identify infrequent travelers and reduce the credit limits for those travel cardholders.
OIG-AMR-75-15-02	Travel Cards	6/16/2015	6/16/2015	9	We recommend that the Finance Branch develop and implement procedures to monitor the training completion by travel cardholders to ensure that travel cardholders meet the training requirements.

OIG-AMR-75-15-02	Travel Cards	6/16/2015	6/16/2015	10	We recommend that the Finance Branch develop and implement procedures to ensure that travel card accounts are closed when a travel cardholder separates from the Agency.
Link to OIG-AMR-75-15-02					
FY 2016					
OIG-AMR-78-16-01	Freedom of Information Act	5/12/2016	5/12/2016	4	Update the FTS System of Records Notice to reflect how the FOIA information is used and stored.
Link to OIG-AMR-78-16-01					
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	1	We recommend that OED and the Office of the Chief Financial Officer (OCFO) develop and implement policies and procedures for the timely recording of training obligations.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	2	We recommend that OED develop and implement policies and procedures for documenting employee attendance at Agency-funded training.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	3	We recommend that OED develop and implement an IDP program to ensure that an employee's training meets the identified need for knowledge, skills, and abilities bearing directly upon the employee's official duties.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	4	We recommend that: a. OED obtain a decision from the Board and General Counsel on whether the Agency will have an academic degree program; b. If a program is approved, OED develop and implement the program prior to approving only colleges courses for the degree; and c. If a program is not approved, OED not approve training consisting of academic courses unless it meets an identified need.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	5	We recommend that OED require continuing service agreements for all employees taking training.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	6	We recommend that OED implement and maintain the Agency's Management Development Program.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	7	We recommend that the Division of Administration develop and implement a Management Succession Plan.

OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	8	We recommend that the Division of Administration develop and implement a program for Senior Executive Development Plans.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	9	We recommend that the Division of Administration and the OCFO develop and implement policies and procedures for employee conference management.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	11	We recommend that the OCFO develop and implement policies and procedures for the travel of employees in a local commuting area.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	12	We recommend that the Division of Administration and the OCFO develop procedures for providing timely conference reports to the OIG.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	13	We recommend that the Division of Administration and the OCFO consult with the Chairman and General Counsel regarding the approval authority for conferences and develop procedures to ensure that the conference spending is approved by the proper authority.
OIG-AMR-77-16-02	Training and Conferences	9/27/2016	9/27/2016	14	We recommend that the Division of Administration and the OCFO develop and implement procedures for the reporting of conference expenses to the Office of Management and Budget.

[Link to OIG-AMR-77-16-02](#)

FY 2017

OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	1	Perform an assessment of its organizational structure to ensure that the Office of the Chief Financial Officer is adequately staffed with individuals that possess adequate experience compiling Federal financial statements and recording Federal accounting transactions, to enhance the NLRB's ability to comply with accounting and financial reporting standards. Once the assessment is completed, corrective action should be taken to address any deficiencies identified in current staffing levels or competencies.
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OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	2	Develop and provide on-going training and cross-training to NLRB staff on Federal accounting and reporting requirements to enhance NLRB's ability to compile financial statements and the Performance and Accountability Report in accordance with applicable standards.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	3	Develop a process for in-depth and detailed management quality control reviews of the financial statements and notes, journal vouchers, and accounting transactions to ensure they are properly and timely reported and recorded.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	5	Ensure that all assets are properly recorded in the subsidiary ledger and related accounting records and depreciated in a manner that properly reflects asset, contra-asset, and expense balances.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	6	Develop and implement a process to enter and track all property equipment in the Oracle Fixed Asset Module.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	7	Develop and implement standardized policies and procedures to ensure accountability, monitoring, and oversight of the PP&E disposals and lost capitalized equipment, including notification to the Office of Inspector General for lost equipment.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	8	Define authorities and responsible parties for managing all capitalized assets to maintain physical control in securing and safeguarding NLRB assets.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	9	Review, implement, and monitor control activities related to processing Backpay transactions to ensure that policies and procedures are consistently followed.
OIG-F-21-17-01	Audit of the NLRB Fiscal Year 2016 Financial Statements	11/3/2016	11/3/2016	10	Review the Casehandling Manual and establish and implement procedures to ensure accuracy and authenticity of case agreement documents.
Link to OIG-F-21-17-01 Audit Report					

(11) No significant revised management decisions were made during the reporting period.

(12) There were no significant management decisions with which I am in disagreement.

(13) There is no information to report under the requirements of section 05(b) of the Federal Financial Management Improvement Act of 1996.

(14) (15) A peer review of the audit program was conducted by the Corporation for Public Broadcasting Office of Inspector General. The peer review report was issued on February 3, 2015. A copy of the peer review report is attached as an appendix. There were no recommendations. The OIG's investigative program was not previously subject to the peer review requirement. We are currently in the process of scheduling an investigative peer review.

(16) The OIG did not conduct a peer review during the reporting period.

(17) Statistical Table of the information related to investigative activity:

Investigative Reports Issued	Number of Persons Referred to DOJ	Number of Persons Referred to State or Local Prosecutors	Total Number of Indictments and Criminal Informations
6	2	0	1

(18) Description of the metrics used for developing investigative statistical data: The OIG considers a report issued when it transmits the report to an NLRB management official. It is the OIG's practice to contact DOJ's Public Integrity Section or the appropriate U.S. Attorney's Office when the OIG determines that there is reasonable cause to believe that a person violated a Federal criminal statute. The OIG does not consider coordination of its investigative activity with the FBI as a referral to the DOJ. Because of the nature of the NLRB's mission, the factual basis for a referral to a state or local prosecutor rarely occurs. Referrals, indictments, and criminal informations are reported for the period in which they occurred.

(19) Report on each investigation conducted that involved a senior Government employee (GS 15 or above) where an allegation of misconduct was substantiated:

OIG-I-531	
Fact and Circumstances of the Investigation.	A GS 15 attorney appeared before the Securities and Exchange Commission (SEC) during an investigation for the purpose of representing a witness. The nature of the appearance was pre-interview telephone meetings with the SEC investigating attorney. Before proceeding with the interview, the SEC investigating attorney notified the SEC OIG that the NLRB attorney appeared to be violating 18 U.S.C. § 205. Our investigation was then initiated. When interviewed, the NLRB attorney acknowledged his contact with the SEC on behalf of the witness. The NLRB attorney stated that he was helping a friend who was a witness and was not the subject of the SEC investigation and that he did not charge any fees.
Status and Disposition of the Matter	We previously reported the following: referred the matter to the appropriate U.S. Attorney's Office on January 18, 2017; on the same date, prosecution was declined; and that an OIG administrative report was issued on March 15, 2017. During this reporting period, on June 6, 2017, the employee received a written reprimand. We closed the investigation.
OIG-I-522	
Fact and Circumstances of the Investigation.	We investigated a GS 15 supervisor for using Agency resources and personnel for outside employment activities. We substantiated the allegation.
Status and Disposition of the Matter	During the investigation the employee agreed to a reduction in grade to GS 14 and a reassignment to a non-supervisory position. An OIG administrative report was issued on June 29, 2017. Management is considering appropriate disciplinary action.
The OIG considers an allegation substantiated when a determination is made that there is a preponderance of evidence that the employee engaged in misconduct and issues an investigative report.	

(20) There was one instance of whistleblower retaliation that was reported to the OIG during the reporting period. That matter, OIG-I-536, was opened on June 30, 2017, and remains an active investigation.

(21) There were no attempts by the establishment to interfere with the independence of the OIG, including budget constraints designed to limit the capabilities of the OIG or incidents where the establishment resisted or objected to the OIG's oversight activities or restricted or significantly delayed access to information.

(22) Disclosure of closed items:

(A) During the reporting period, the OIG did not close any inspections, evaluations, or audits that were not disclosed to the public; and

(B) The Investigation Program section includes a summary of all investigations closed during the reporting period – including any investigation involving unsubstantiated allegations of misconduct by senior Government employees.

APPENDIX – NLRB OIG Peer Review Report



Corporation
for Public
Broadcasting

Office of Inspector General

System Review Report

February 3, 2015

David P. Berry
Inspector General
National Labor Relations Board
1099 14th Street N.W., Suite 9820
Washington, D.C. 20573

Dear Mr Berry:

We have reviewed the system of quality control for the audit organization of National Labor Relations Board (NLRB) Office of the Inspector General (OIG) in effect for the year ended September 30, 2014. A system of quality control encompasses NLRB OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with *Government Auditing Standards*. The elements of quality control are described in the *Government Auditing Standards*. NLRB OIG is responsible for establishing and maintaining a system of quality control that is designed to provide NLRB OIG with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and NLRB OIG's compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*, dated September 2014. During our review, we interviewed NLRB OIG's personnel and obtained an understanding of the nature of the NLRB OIG's audit organization and the design of NLRB OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected audits and administrative files to test for conformity with professional standards and compliance with NLRB OIG's system of quality control. The audits selected represented a reasonable cross-section of NLRB OIG's audit organization, with emphasis on higher-risk audits. Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with NLRB OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

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In performing our review, we obtained an understanding of the system of quality control for the NLRB OIG audit organization. In addition, we tested compliance with NLRB OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of NLRB OIG's policies and procedures on selected audits. 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.

There are inherent limitations in the effectiveness of any system of quality control, and therefore, noncompliance with the system of quality control may occur and 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.

Enclosure 1 to this report identifies the NLRB OIG audits that we reviewed.

In our opinion, the system of quality control for the audit organization of NLRB OIG in effect for the year ended September 30, 2014, has been suitably designed and complied with to provide NLRB OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. NLRB OIG has received an external peer review rating of *pass*.

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by CIGIE related to NLRB OIG's monitoring of audits performed by independent public accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of audits performed by IPAs is not an audit and therefore, is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to determine whether NLRB OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion and accordingly, we do not express an opinion, on NLRB OIG's monitoring of work performed by IPAs.

Enclosure 2 to this report is NLRB OIG's response to our draft report.

Very truly yours,



Mary Mitchelson

Enclosures (2)

Scope and Methodology

We tested compliance with NLRB OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of 2 of 4 audit reports issued during the period October 1, 2013, through September 30, 2014. We also reviewed the internal quality control reviews performed by NLRB OIG.

In addition, we reviewed NLRB OIG's monitoring of its financial statement audit performed by an IPA.

We reviewed the following two audits performed by NLRB OIG.

Report No	Report Date	Report Title
OIG AMR-71-14-01	01/06/2014	Division of Administration Pilot Employee Recognition Program
OIG-AMR-72-14-02	06/26/2014	FY 2013 Sequestration-Preparation Implementation Impact

We reviewed the monitoring of the audit performed by an IPA.

Report No	Report Date	Report Title
OIG-F-18-14-01	06/29/2014	Audit of the NLRB Fiscal Year 2013 Financial Statements

**Report
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