



United States Government  
National Labor Relations Board  
Office of Inspector General

Semiannual Report  
April 1, 2018 – September 30, 2018

**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, 2018 – September 30, 2018. 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.

This year we mark the 40<sup>th</sup> anniversary of the Inspector General Act and the creation of the original 12 Offices of Inspector General. Our office was created in 1988. Since that time we have been part of a community that has grown to include 73 statutory Inspectors General who collectively oversee the operations of nearly every aspect of the Federal government. Every 6 months we provide Congress with a report detailing our independent oversight of National Labor Relations Board during the reporting period. This report is our 61st semiannual report. In the years to come, we look forward to continuing our efforts to provide independent and effective oversight of the National Labor Relations Board and working with the Council of Inspectors General on Integrity and Efficiency on important issues that cut across our government.

During this reporting period in the audit program, the Office of Inspector General issued two audit reports 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 160 contacts, initiated 5 cases, closed 6 cases, and issued 3 investigative reports. Two matters were referred to the U.S. Department of Justice.

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



David Berry  
Inspector General  
October 30, 2018

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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.

During this reporting period, Member Marvin Kaplan served as Chairman until April 16, 2018, when John F. Ring was sworn in as a Member and designated as Chairman by the President. Mark Gaston Pearce's term as a Member ended on August 27, 2018. Lauren McFerran, Marvin Kaplan, and William Emanuel continued to serve as Members. Peter B. Robb continued to serve as General Counsel.

NLRB Headquarters is located at 1015 Half Street, SE, Washington, DC. In addition to the Headquarters building, employees are located in 48 field offices and 2 satellite offices for administrative law judges. The NLRB has designated 26 of the 48 field offices as Regional Offices.

Additional information about the NLRB can be found at [www.NLRB.gov](http://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

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. 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 two audit reports and completed the Improper Payment Information Act report to Congress and the Office of Management and Budget (OMB). We also closed one audit without issuing a report.

#### Reports Issued

We issued Audit Report [OIG-AMR-80-18-02](#), **Purchase Cards**, on August 16, 2018. The NLRB's purchase cards program is administered by the Office of the Chief Financial Officer's Acquisitions Management Branch. The objectives of the audit were to determine whether the purchase card program was operated in accordance with applicable laws, regulations, and Agency policies and to determine whether Agency controls are sufficient to prevent or detect, fraud, waste, and abuse.

We determined that internal controls for the purchase card program could be improved. The Purchase Card Management Plan did not meet all of the requirements as set forth by OMB. We also found deficiencies in internal controls related to training; documentation and approval for purchase card transactions; segregation of duties; split transactions; and management oversight of purchase card usage. The report contained eight recommendations.

In response to the report, the Acting Chief Financial Officer generally concurred with the findings and recommendations. The Acting Chief Financial Officer stated that they were revising the Purchase Card Management Plan to meet new program requirements and that they will address the identified internal control issues.

We issued Audit Report [OIG-AMR-84-18-03](#), **Purchase Card Forensics**, on August 16, 2018. The Council of Inspectors General for Integrity and Efficiency (CIGIE) initiated a Governmentwide project to review purchase card transactions. The project consisted of Offices of Inspector General using data analytics to

identify high risk transactions and then verifying that those transactions were appropriate.

To participate in the CIGIE project, we initiated an audit. The objectives of our audit were to identify transactions involving misuse of the purchase card and to determine if there were any deficiencies in the purchase card internal controls that resulted in the failure to prevent or identify the misuse. The scope of the audit was purchase card transactions during the first and second quarters of FY 2017.

Our testing did not identify any instances of misuse by Agency employees in that purchase card transactions in our sample appeared to be for an apparent Government need. We did, however, observe internal control issues related to proper documentation and review of the purchase card transactions. Because similar findings are addressed with recommendations in the Purchase Card audit (OIG-AMR-80-18-02), we did not make any additional recommendations in this report. In response to the report, the Acting Chief Financial Officer generally concurred with the findings.

On May 11, 2018, we complied with the provisions of the **Improper Payments Information Act**, as amended by the Improper Payments Elimination and Recovery Act, and reported to the Congress and OMB documenting our review of the Agency's improper payment reporting in the Performance and Accountability Report. We concurred with the Agency's determination that the NLRB does have a risk of significant improper payments.

We terminated the audit **Health Services**, [OIG-AMR-85](#). The objectives of the audit were to determine whether the health services provided by the NLRB for its employees were procured in a cost-efficient manner and to evaluate the level of service provided. After analyzing the utilization data provided by Federal Occupational Health, we determined that the data was unreliable and that we could not rely upon it to reach determinations regarding the audit objectives.

## 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. During this reporting period, we processed 160 contacts, initiated 5 cases, closed 6 cases, and issued 3 investigative reports. Our investigative efforts resulted in two suspensions and a counseling. Two matters were referred to the U.S. Department of Justice.

Case Workload		Contacts Processed	
Open (4/1/2018)	10	Received	160
Initiated	5	Initiated Investigation	2
Closed	6	Opened Case -- Referred to Agency	0
Open (9/30/2018)	9	Non-Investigative Disposition	158

## Investigative Highlights for Reports Issued, Cases Closed, and Referrals

We previously reported an investigation involving the misappropriation of backpay funds. During this reporting period, we closed the case. (OIG-I-519)

We previously reported our investigation involving an employee who used official time and resources for outside employment. During this reporting period, the employee was counseled. We closed the case. (OIG-I-522)

We previously reported our investigation involving an employee who submitted false requests for compensatory time and used official time and resources for outside employment activities. During this reporting period, the employee received a 60-day suspension. We closed the case. (OIG-I-529)

We investigated allegations that two managers, senior Government employees, wrongfully withheld records from a Freedom of Information Act request and that they retaliated against a whistleblower. We did not substantiate the allegations. We closed the case. (OIG-I-536)

We previously reported an investigation involving the President's ethics pledge. During this reporting period, we closed the case. (OIG-I-541)

We investigated an allegation that a Board Member, a senior Government employee, wrongfully disclosed non-public deliberative information. We did not substantiate the allegation. Because the matter involved a Board Member, we issued a report explaining our findings. We closed the case. (OIG-I-543)

We reported to the Department of Justice an allegation involving a false official statement. A decision regarding prosecution was not made during the reporting period. (OIG-I-545)

We investigated an allegation that a GS 15 manager, a senior Government employee, requested and received assistance from a subordinate employee with the preparation of a SES application. The allegation was reported to the OIG approximately 14 months after the incident occurred and after the manager was in the SES position. We determined that the conduct violated the *Standards of Ethical Conduct for Employees of the Executive Branch* and issued a report. Management was considering appropriate disciplinary action at the end of the reporting period. (OIG-I-546)

We investigated an allegation that an employee submitted false information in support of a requested personnel action. The matter was referred to the Department of Justice and prosecution was declined. Our administrative investigation substantiated the allegation and we issued a report. The employee received a 15-day suspension. (OIG-I-547)

## 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 160 Hotline contacts, of which 88 were telephone calls or walk-ins and 72 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. We have no specific comments on the legislation listed below.

### Legislation

During the current Congress, 29 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. 986 & S. 63	Tribal Labor Sovereignty Act of 2017;
H.R. 987 & S. 155	RAISE Act;
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;
H.R. 4327	Current Employee Representation Act;
H.R. 4548 & S. 2143	WAGE Act;
H.R. 5609 & S. 2810	Workplace Democracy Act;
H.R. 5785	Jobs and Justice Act of 2018;
H.R. 6080 & S. 3064	Workers' Freedom to Negotiate Act of 2018;
H.R. 6412	Employee Freedom Act;
H.R. 6544	Employee Rights Act of 2018;
S. 702	PLUS Act; and
S. 2069	Protecting Workers' Freedom to Organize 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 a member of the CIGIE Investigations 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 (GAO) with a view toward avoiding duplication and ensuring effective coordination and cooperation. During this reporting period, GAO did not issue any audit reports involving the NLRB's programs or operations.

## 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 Reports to Congress, 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 40 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).

(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
General Administration			
Purchase Cards OIG-AMR-80-18-02	0	0	0
General Administration			
Purchase Cards Forensics OIG-AMR-84-18-03	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:

	<b>Number of Reports</b>	<b>Funds Be Put To Better Use</b>
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:

<b>Audit No.</b>	<b>Audit Summary and Link</b>	<b>Issued</b>	<b>Management Decision</b>	<b>Rec #</b>	<b>Recommendation with any Aggregate Cost Saving Noted</b>
<b>FY 2015</b>					
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.
<a href="#">Link to OIG-F-19-15-01</a>					
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.
<a href="#">Link to OIG-AMR-73-15-01</a>					
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.
<a href="#">Link to OIG-AMR-75-15-02</a>					
<b>FY 2016</b>					
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.
<a href="#">Link to OIG-AMR-78-16-01</a>					
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	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.
<a href="#">Link to OIG-AMR-77-16-02</a>					
<b>FY 2017</b>					
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.
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.
<a href="#">Link to OIG-F-21-17-01</a>					
<b>FY 2018</b>					
OIG-AMR-83-18-01	DATA Act Implementation	10/30/2017	10/30/2017	1	Develop and implement internal controls to ensure that:  a. Parent IDs are uniform in the data reported to FPDS and the financial system; b. Procurement awards are reported to FPDS as required by Section 4.606 of the FAR; and c. File C contains all of the financial data for the procurement awards that are reported in File D1 prior to submitting the files to the DATA Act broker.
OIG-AMR-83-18-01	DATA Act Implementation	10/30/2017	10/30/2017	2	Coordinate with other users of the Oracle financial system to determine if they had similar findings and, if they did, address the issue with IBC.
OIG-AMR-83-18-01	DATA Act Implementation	10/30/2017	10/30/2017	3	Develop and implement internal controls to identify and correct data errors in the financial system and in FPDS-NG.
<a href="#">Link to OIG-AMR-83-18-01</a>					
OIG-F-22-18-01	Audit of the NLRB Fiscal Year 2017 Financial Statements	11/6/2017	11/6/2017	1	Establish, approve, and disseminate IT policies and procedures to all employees as required by NIST SP 800-53, Security and Privacy Controls for Federal Information Systems and Organizations, Revision 4. Final policies and procedures should have a clear audit trail showing signatures of individuals responsible for final approval and be dated accordingly.
OIG-F-22-18-01	Audit of the NLRB Fiscal Year 2017 Financial Statements	11/6/2017	11/6/2017	2	Obtain an independent assessor to perform tests of effectiveness on all NLRB's SSP in accordance with NIST Special Publication 800-53A, Assessing Security and Privacy Controls in Federal Information Systems and Organizations, Revision 4.

OIG-F-22-18-01	Audit of the NLRB Fiscal Year 2017 Financial Statements	11/6/2017	11/6/2017	3	Review the knowledge, skills, and abilities of the OCIO security personnel and make a determination of whether individuals in those positions are skilled to perform IT security functions.
OIG-F-22-18-01	Audit of the NLRB Fiscal Year 2017 Financial Statements	11/6/2017	11/6/2017	4	Develop a personnel policy that defines the NLRB's responsibility for maintaining a complete list of contractors that is periodically reviewed to ensure completeness and accuracy.
<a href="#">Link to OIG-F-22-18-01 Audit Report</a>					
OIG-F-22-18-01 (ML)	Audit of the NLRB Fiscal Year 2017 Financial Statements - Management Letter	11/28/2017	11/28/2017	1	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.
<a href="#">Link to OIG-F-22-18-01 Management Letter</a>					

(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 Office of Inspector General, Federal Housing Finance Agency. The peer review report was issued on February 1, 2018. A copy of the peer review report is attached as an appendix. There were no recommendations. The OIG's investigative program is not subject to the peer review requirement.

(16) The OIG did not conduct any peer reviews 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
3	2	0	0

(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:

<p><b>Facts and Circumstances of the Investigation.</b></p> <p><b>OIG-I-546</b></p>	<p>A GS 15 manager requested and received assistance from a subordinate employee with the preparation of a SES application. The allegation was reported to the OIG approximately 14 months after the incident occurred and after the manager was in the SES position. We determined that the conduct violated the <i>Standards of Ethical Conduct for Employees of the Executive Branch</i>.</p>
<p><b>Status and Disposition of the Matter</b></p>	<p>An OIG administrative report was issued on September 11, 2018. Management was considering appropriate disciplinary action at the end of the reporting period. Because there was no basis to determine that there was a violation of a Federal criminal statute, we did not report the matter to DOJ.</p>
<p>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.</p>	

(20) There were no instances of whistleblower retaliation that were reported to the OIG during the reporting period.

(21) Other than hiring restrictions, there were no attempts by the establishment to interfere with the independence of the OIG through 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.

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## **APPENDIX – NLRB OIG Peer Review Report**



**OFFICE OF INSPECTOR GENERAL**  
Federal Housing Finance Agency

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400 7th Street SW, Washington, DC 20219

System Review Report

February 1, 2018

David P. Berry, Inspector General  
National Labor Relations Board

We have reviewed the system of quality control for the audit organization of the National Labor Relations Board (NLRB) Office of Inspector General (OIG) in effect for the 18-month period ended September 30, 2017. The 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 *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*. During our review, we interviewed NLRB OIG personnel and obtained an understanding of the nature of the NLRB OIG 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 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.

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 18-month period ended September 30, 2017, 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 the 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 includes NLRB OIG's comments to this report.

Sincerely,



Laura S. Wertheimer  
Inspector General

Enclosures

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 all three audit reports issued by NLRB OIG during the period April 1, 2016, through September 30, 2017. Additionally, we reviewed one terminated audit and internal quality control reviews performed by NLRB OIG.

Reviewed Audits Performed by NLRB OIG:

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG-AMR-79-17-01	5/16/2017	Backpay Payments
OIG-AMR-77-16-02	9/27/2016	Training and Conferences
OIG-AMR-78-16-01	5/12/2016	Freedom of Information Act

In addition, we reviewed NLRB OIG's monitoring of the following contracted audit performed by an IPA during the period April 1, 2016, through September 30, 2017.

<u>Report No.</u>	<u>Report Date</u>	<u>Report Title</u>
OIG-F-21-17-01	11/3/2016	Audit of the National Labor Relations Board Fiscal Year 2016 Financial Statements

We visited NLRB OIG's office located in Washington, DC.

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

**Report  
Fraud, Waste, and Abuse**

**(202) 273-1960**

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