



United States Government
National Labor Relations Board
Office of Inspector General

Semiannual Report
October 1, 2023 – March 31, 2024

EXECUTIVE SUMMARY

I hereby submit the Semiannual Report for the period October 1, 2023 – March 31, 2024. 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, 5 U.S.C. § 405(c). The Inspector General Act, as amended, requires that the National Labor Relations Board transmit the 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 two audit reports, a memorandum identifying the Agency's top management and performance challenges, and a report to the Office of Management and Budget on the Agency's progress in implementing recommendations related to Government charge cards in accordance with the Government Charge Card Abuse Prevention Act of 2012. We also conducted the Quality System Review of the Office of Inspector General, Export-Import Bank of the United States. In the investigation program, we processed 48 contacts, initiated one investigation, and issued one report. One employee retired in lieu of adverse administrative action prior to the issuance of an investigative report.

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 "David Berry".

David Berry
Inspector General
April 30, 2024

This page is intentionally blank.

Table of Contents

AGENCY PROFILE	1
OFFICE OF INSPECTOR GENERAL	2
RESOURCES	2
AUDIT PROGRAM	3
INVESTIGATION PROGRAM.....	5
Investigative Highlights.....	5
Hotline	6
LEGISLATION, REGULATIONS, AND POLICY	7
LIAISON ACTIVITIES	8
Inspector General Community.....	8
U.S. Government Accountability Office	8
INFORMATION REQUIRED BY THE LAW	9
Information Required by the Inspector General Act, as amended	9
Annex on Completed Contract Audit Reports	12

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 (NLRA). The NLRA 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. The NLRB's jurisdiction includes the U.S. Postal Service; however, other government entities, railroads, and airlines are not within the 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 protect and implement employees' free choice 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 Lauren M. McFerran continued to serve as Chairman with Members Marvin E. Kaplan, David M. Prouty, and Gwynne A. Wilcox. General Counsel Jennifer A. Abruzzo continued to serve in that position.

The NLRB Headquarters is located at 1015 Half Street, SE, Washington, DC. In addition to the Headquarters building, the NLRB has 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.

OFFICE OF INSPECTOR GENERAL

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

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, and four auditor positions. Additionally, the OIG staff is augmented by contract auditors.

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, we issued two audit reports, a memorandum identifying the Agency's top management and performance challenges, and a report to the Office of Management and Budget (OMB) on the Agency's progress in implementing recommendations related to Government charge cards in accordance with the Government Charge Card Abuse Prevention Act of 2012. We also conducted the Quality System Review of the OIG, Export-Import Bank of the United States (EXIM).

We issued Audit Report OIG-F-28-24-01, **Audit of the NLRB Fiscal Year 2023 Financial Statements**, on November 13, 2023. The audit, performed by an independent public accounting firm, found that the NLRB's Fiscal Year (FY) 2023 financial statements were fairly stated. The audit process found no material weaknesses or significant deficiencies related to internal controls. The report did not make any recommendations for corrective action.

The **Management Letter**, issued as part of the financial statement audit process, contained two findings related to (1) improvements needed in monitoring of undelivered orders and closeout of expired contracts and (2) improvements in monitoring information security management. The Management Letter made one recommendation related to the findings. Management generally agreed with the recommendation.

We issued Audit Report OIG-AMR-102-24-02, **Performance Based Staffing**, on March 22, 2024. The objectives of the audit were to determine whether Field Office full-time equivalents (FTE) are assigned or allocated in accordance with Governmentwide guidance to ensure that the Agency meets its goals and objectives; evaluate the effect of the level funding appropriation on the Field Office staffing and the processing of Field Office case work; and evaluate the internal controls over the calculation of Field Office staffing.

To determine whether Field Office FTEs are assigned or allocated in accordance with Governmentwide guidance to ensure that the Agency met its goals and objectives and evaluate the internal controls, the scope was the Field Office staffing calculation for FY 2022. To evaluate the effect of the level funding appropriation on the Field Office staffing and the processing of Field Office case work, the scope was appropriated funding levels; Field Office FTE levels and case work; and Agency expenses for FY 2014 through FY 2022.

We determined that the methodology used by the Division of Operations-Management to assign or allocate Field Office FTEs did not meet Governmentwide guidance. We also determined that the process to assign or allocate Field Office FTEs lacked an appropriate system of internal controls. As a result, the Agency is at risk of not allocating FTEs to the Field Offices in a manner that would ensure that it meets its goals and objectives. We also determined that the effect of the level appropriation, over 9 fiscal years from FY 2014 to FY 2022, was that the Field Office FTE declined; and, despite a decline

in case intake, the time to issue complaints from the filing of a charge increased. We made four recommendations for corrective action.

In the Management Comments, the Division of Operations-Management noted agreement with the information in the draft report that was generally related to the appropriation, staffing, case intake, and the impact of limited budgetary resources. Management also provided information that it determined was relevant for context. Based on the Management Comments, we reached agreement on Recommendations 1, 3, and 4.

We issued a memorandum identifying the Agency's **Top Management and Performance Challenges** on October 6, 2023. The challenges were:

1. Manage the Agency – Ongoing;
2. Manage the Agency's Financial Resources – Ongoing;
3. Manage the NLRB's Human Capital and Maintain the Agency's Institutional Knowledge – Ongoing;
4. Manage the Agency's Information Technology Security – Ongoing;
and
5. Implement Audit Recommendations – Completed.

On January 31, 2024, we complied with the provisions of the **Government Charge Card Abuse Prevention Act of 2012** and reported to OMB the Agency's progress in implementing audit recommendations related to Government charge cards. At that time, we reported that the Agency had no open recommendations related to the management of Government charge cards.

On January 22, 2024, we completed the **Quality System Review** (peer review) for the audit organization of the OIG, EXIM. Federal audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. Our report stated that the OIG, EXIM received a rating of *pass*.

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 48 contacts, initiated one investigation, and issued one report. One employee retired in lieu of adverse administrative action prior to the issuance of an investigative report.

Case Workload		Contacts Processed	
Open (10/1/2023)	6	Received	48
Initiated	1	Initiated Investigation	0
Closed	1	Opened Case -- Referred to Agency	0
Open (3/31/2024)	6	Non-Investigative Disposition	48

Investigative Highlights

In a prior reporting period, we initiated an investigation involving allegations that an NLRB employee engaged in bribery, wire fraud, and conspiracy. During this reporting period, prosecution of the matter continued. (OIG-I-558)

In a prior reporting period, we reported that we initiated a number of proactive investigations based on a review of NLRB employees' Social Security numbers and a comparison to information in pandemic relief programs' databases. Based on that review, we identified a number of NLRB employees who may have improperly received pandemic relief loans or grants. We initiated four investigations. One of the investigations was completed and closed in a prior reporting period. During this reporting period, three investigations continued. For the remaining employees with matching information, we determined that no additional investigative action would be initiated as there was not a sufficient factual basis to warrant further investigative activity. (OIG-I-570)

For the pandemic relief fraud investigations that were open during the prior reporting period and continued during this reporting period:

After coordination with another law enforcement agency, we conducted an administrative investigative interview with the employee. Following the interview, the employee submitted a voluntary retirement request and separated from the agency. We closed the case; (OIG-I-575)

In the prior reporting period, we found the allegation involving one employee was substantiated and we issued an investigative report. During this reporting period, management officials continued to consider appropriate administrative action; and (OIG-I-576)

After the appropriate U.S. Attorney's Office declined prosecution, we conducted an administrative investigative interview with the employee. We then issued a report that substantiated the allegation. Management is considering appropriate administrative action. (OIG-I-578)

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 48 Hotline contacts, of which 16 were telephone calls or walk-ins and 32 were in writing.

Hotline contacts from members of the public seeking help on an employment-related problem or issues outside of the OIG and/or Agency's jurisdiction are no longer included in our Hotline statistics. As appropriate, the OIG refers those 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 their impact 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. During the current Congress, 33 legislative proposals have been introduced that would amend the NLRA or otherwise impact the programs and operations of the Agency:

H.R. 20 & S. 567	Richard L. Trumka Protecting the Right to Organize Act of 2023;
H.R. 721	Union Integrity Act;
H.R. 937 & S. 1328	Tribal Labor Sovereignty Act of 2023;
H.R. 1200 & S. 532	National Right-to-Work Act;
H.R. 1447 & S. 710	Striking and Locked Out Workers Healthcare Protection Act;
H.R. 2043	A bill that provides for limitations on availability of funds for the NLRB;
H.R. 2700 & S. 1201	Employee Rights Act;
H.R. 2826 & S. 1261	Save Local Business Act;
H.R. 3400	Small Businesses before Bureaucrats Act;
H.R. 3833 & S. 991	National Labor Relations Board Reform Act;
H.R. 3834	Workforce Democracy and Fairness Act;
H.R. 4320	Truth in Employment Act of 2023;
H.R. 5351 & S. 2724	Nationwide Right to Unionize Act;
H.R. 5513 & S. 3018	A bill that would clarify standards for determining whether an individual is an employee under the NLRA;
H.R. 6616 & S. 3415	College Athlete Right to Organize Act;
H.R. 6745	Worker's Choice Act of 2023;
H.R. 6775	Public Banking Act of 2023;
S. 2113	PLUS Act of 2023;
S. 2159	21 st Century Worker Act;
S. 3600	Teamwork for Employees and Managers Act of 2024; and
H.J. Res. 98, S.J. Res 49, & H. Res. 947	Three resolutions concerning an NLRB rule.

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). The organization consists of the Inspectors General within the Federal government and other individuals in positions designated by the Inspector General Act, 5 U.S.C. § 424(b). The Inspector General participates on CIGIE's Audit and Budget committees. The Inspector General is also one of four Inspectors General designated by CIGIE to be a member of the Comptroller General's Advisory Council on Government Auditing Standards.

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

U.S. 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 U.S. Government Accountability Office (GAO), with a view toward avoiding duplication and ensuring effective coordination and cooperation. During this reporting period, one matter was referred to the OIG by GAO FraudNet.

INFORMATION REQUIRED BY THE LAW

Information Required by the Inspector General Act, as amended

Certain information and statistics are required by the Inspector General Act, 5 U.S.C. § 405(b), to be included in the semiannual report:

(1) 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.

(2) Description of recommendations for corrective action made during the reporting period:

Audit No.	Audit	Issued	Management Decision	Rec #	Recommendation with any Aggregate Cost Savings Noted
October 1, 2023 – March 31, 2024					
OIG-AMR-102-24-02	Performance Based Staffing	3/22/2024	3/22/2024	1	Coordinate with the Office of the Chief Financial Officer to ensure its methodology to develop Field Office staffing requirements meets OMB requirements
OIG-AMR-102-24-02	Performance Based Staffing	3/22/2024	Pending	2	Evaluate its method of determining Regional staffing levels and consider whether a method that evaluates the level of work associated with the cases in addition to the case intake is more appropriate and what, if any, impact the ratios of R cases to C cases may affect the level of work.
OIG-AMR-102-24-02	Performance Based Staffing	3/22/2024	3/22/2024	3	Develop a process to assess field staffing data that includes data quality checks.
OIG-AMR-102-24-02	Performance Based Staffing	3/22/2024	3/22/2024	4	Develop an internal control process to address the findings at Appendix A and related NxGen data issues.
OIG-F-28-24-01 (ML)	Audit of NLRB Fiscal Year 2022 Financial Statements – Management Letter	12/11/2023	12/11/2023	1	We recommend the Office of the Chief Information Officer identify controls that are not covered by the SOC1 report for the system and perform assessment/analysis annually.

(3) For each audit, inspection, or evaluation issued before the commencement of the reporting period, the following are the outstanding unimplemented recommendations:

Audit No.	Audit	Issued	Management Decision	Rec #	Recommendation with any Aggregate Cost Savings Noted
FY 2022					
OIG-AMR-94-22-02	NxGen Data Accuracy	11/16/2021	11/16/2021	1	Develop and implement a quality review process at the local Regional Office level that includes review of the data at key points during the case life cycle.

Audit No.	Audit	Issued	Management Decision	Rec #	Recommendation with any Aggregate Cost Savings Noted
OIG-AMR-94-22-02	NxGen Data Accuracy	11/16/2021	11/16/2021	3	Develop and implement a standard methodology for documenting data in the NxGen case file.
OIG-AMR-94-22-02	NxGen Data Accuracy	11/16/2021	11/16/2021	4	Develop and implement a training program that focuses on NxGen data quality controls and processes. This program should include new employee NxGen orientation, periodic refresher training, and supervisory data quality review.
FY 2023					
OIG-F-27-23-01 (ML)	Audit of NLRB Fiscal Year 2022 Financial Statements – Management Letter	12/9/2022	12/9/2022	3	Assess whether the Office of the Chief Financial Officer is adequately staffed with personnel to monitor expired contracts, initial contract close-out, and de-obligate funds in a timely manner.
OIG-F-27-23-01 (ML)	Audit of NLRB Fiscal Year 2022 Financial Statements – Management Letter	12/9/2022	12/9/2022	4	Ensure monitoring of expired contracts is performed on a quarterly basis, contract closeout procedures are initiated, and open balances are de-obligated in a timely manner.
OIG-AMR-99-23-02	Procurement Process	4/14/2023	4/14/2023	2	Provide training to AMB staff regarding its internal controls as they relate to compliance with the FAR.

(4) No matters involving false statements and/or fraud allegations were referred to appropriate prosecutorial authorities. There were no convictions during the reporting period.

(5) No reports were made to the Board pursuant to 5 U.S.C. § 406(c)(2).

(6) & (7) The following audit, inspection, and evaluation reports were issued during the reporting period, a summary of each report is found at the Audit Program section:

Subject Matter and Title	Questioned Costs	Unsupported Costs	Funds To Be Put To Better Use
Mission Support			
NLRB Fiscal Year 2023 Financial Statements OIG-F-28-21-01	0	0	0
Case Handling			
Performance Based Staffing OIG-AMR-102-24-02	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

(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

(10) There were no audit, inspection, or evaluation reports that were issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period or for which comment on the report was not received within 60 days of providing the report to the Agency. A list of any unimplemented recommendations is provided at paragraph 3; however, there are no potential cost savings associated with those recommendations.

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

(12) There were no significant management decisions with which the Inspector General was in disagreement.

(13) There is no information to report under the requirements of section 804(b) of the Federal Financial Management Improvement Act of 1996.

(14) & (15) During this reporting period, a peer review of the audit program was conducted by the OIG, United States International Trade Commission. We received a rating of *Pass*. There were no recommendations. The report is dated March 11, 2024. A copy of the peer review report is available at [Inspector General | National Labor Relations Board \(nlrb.gov\)](https://www.nlrb.gov/inspector-general). The OIG's investigative program is not subject to the peer review requirement.

(16) The OIG conducted a peer review of the OIG, Export-Import Bank of the United States. The report was issued on January 22, 2024. The report stated that the rating was *Pass*.

(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
0	0	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) There were no investigations conducted during this reporting period involving a senior Government employee (GS 15 or above) where an allegation of misconduct was substantiated. 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 were no instances of whistleblower retaliation that were reported to the OIG during the reporting period.

(21) There were no attempts by the establishment to interfere with the independence of the OIG that involved budget constraints designed to limit the capabilities of the OIG or incidents when it was apparent that 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) All investigations that were closed during the reporting period, including investigations of senior Government officials, are reported in the Investigation Program section of this report.

Annex on Completed Contract Audit Reports

Section 845 of the 2008 Defense Authorization Act, Public Law 110-181, requires certain information on completed contract audit reports containing significant audit findings to be included as an annex to this report. Although the OIG conducts audit work involving contracts, the audits are generally program audits rather than contract audits.

This page is intentionally blank.

Office of Inspector General
National Labor Relations Board
1015 Half Street, SE
Washington, DC 20570