

Office of Inspector General

SEMIANNUAL

REPORT

TO THE

CONGRESS



Covering OCTOBER 1, 1995 - MARCH 31, 1996

Thirteenth Semiannual Report

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United States Government

NATIONAL LABOR RELATIONS BOARD

OFFICE OF THE INSPECTOR GENERAL

Washington, DC 20570-0001

April 30, 1996

Honorable William B. Gould IV, Chairman
National Labor Relations Board
1099 14th Street, NW, Room 11100
Washington, DC 20570

Honorable Frederick L. Feinstein, General Counsel
National Labor Relations Board
1099 14th Street, NW, Room 10100
Washington, DC 20570

Dear Chairman Gould and General Counsel Feinstein:

This is the fourth Semiannual Report (SAR) for the Office of Inspector General (OIG) I have submitted since my designation as Acting Inspector General on July 25, 1994. This SAR is prepared in accordance with Section 5 of the Inspector General Act and covers the period October 1, 1995, through March 31, 1996.

I continue to enjoy working with the fine staff of the OIG. Their work record during the last 6 months is described in this Report; and is a record with which I am proud to be associated. The draft audit report on performance measurements has been submitted to you for comment. As you know, this audit was delayed by the loss of one staff member. I believe it is a report that will serve the Agency very well. As described in earlier correspondence with you, our preliminary conclusions are that this Agency may be ahead of most agencies in the reporting capabilities mandated by the Government Performance and Results Act. Equally important, it establishes the reliability of the Agency's performance measurement statistics.

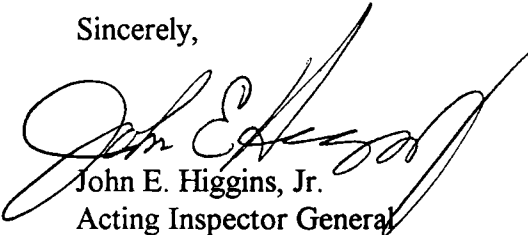
On the investigative side, we have continued our Federal Employee Compensation Act (FECA) review in conjunction with Ms. Joseph and her staff and our parking space review in conjunction with Mr. Benson and his staff. The budget crisis of 1996 has had its effect on our being able to handle our investigative workload in a timely and efficient manner and thus, our current caseload (16) is slightly higher than that with which we began this reporting period (13). Nevertheless, I am pleased with the status of the caseload. At the beginning of my assignment (July 27, 1994), there were 39 cases pending, of which 17 were pending more than 2 years. As of the end of this reporting period (April 30, 1996), the caseload is down to 16 cases of which only 1 has been pending more than 3 years, 2 more than 2 years and 1 more than 1 year. Of these 16 cases, 5 are part of our FECA study and among the 5 is the 3 year old case referenced above. While this 3 year case remains an open OIG matter, it has been referred to other agencies for

Chairman Gould/General Counsel Feinstein
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action and is pending there. In short then, not only have we been able to reduce the caseload, but we have substantially reduced its age.

None of this could have been accomplished without outstanding OIG staff work and without the cooperation of the Board, the General Counsel and their staffs. The cooperation of Director of Administration Gloria Joseph and Acting Associate General Counsel B. Allan Benson and their staffs is particularly noted.

Sincerely,



John E. Higgins, Jr.
Acting Inspector General

cc: The Board

FOREWORD

The National Labor Relations Board (Agency or NLRB), which employs about 2,000 employees and, for Fiscal Year 1995, has an annual budget of approximately \$176,000,000, is an independent agency which was established in 1935 to administer the principal labor relations law of the United States - - the National Labor Relations Act (NLRA). The provisions of the NLRA are generally applied to all enterprises engaged in, or to activities affecting, interstate commerce, including health care institutions and the United States Postal Service, but excluding other Governmental entities, railroads and airlines.

The Agency implements national labor policy to protect the public interest by helping to maintain peaceful relations among employers, labor organizations and employees; encouraging collective bargaining; and, by providing a forum for all parties to resolve peacefully representation and unfair labor practice issues. These functions are primarily carried out in two ways: (1) by conducting secret ballot elections to determine if a group of employees wishes to be represented for collective bargaining purposes by a labor organization, and (2) by preventing and/or remedying unfair labor practices committed by employers and unions.

The Chairman, four Board Members and a General Counsel are appointed by the President with the advice and consent of the Senate. The Chairman and Board Members have staggered terms of 5 years each and the General Counsel has a 4-year term.

The Agency, headquartered in Washington, DC, has 33 Regional Offices, some of which have Subregional and/or Resident Offices. This far-flung organization has handled unfair labor practice cases affecting hundreds of thousands of persons and has conducted representation elections in which millions of employees have decided whether they wished to be represented by a labor organization for collective bargaining purposes.

The mission of the Office of Inspector General (OIG) is to promote integrity, efficiency, and effectiveness by conducting audits and investigations in an independent manner and objectively reporting to the Chairman, the General Counsel and the Congress. The OIG Table of Organization provides for an Inspector General; a Supervisory Auditor; three Auditors; a Staff Assistant; and, a Counsel to the Inspector General.

REPORTING REQUIREMENTS

<u>ACT CITATION AND REQUIREMENT</u>	<u>PAGE</u>
Section 4(a)(2) Review of Legislation and Regulations.	None
Section 5(a)(1) and (2) Significant Problems, Abuses and Deficiencies and Recommendations for Corrective Action.	1
Section 5(a)(3) Prior Recommendations Not Yet Implemented.	None
Section 5(a)(4) Matters Referred to Prosecutive Authorities.	5
Section 5(a)(5) and 6(b)(2) Summary of Instances Where Information Was Unreasonably Refused or Not Provided.	No Instances
Section 5(a)(6) List of OIG Audit Reports.	7
Section 5(a)(7) Summary of Each Particularly Significant Report.	None
Section 5(a)(8) Statistical Table on Management Decisions on Questioned Costs.	10
Section 5(a)(9) Statistical Table on Management Decisions on Recommendations That Funds Be Put to Better Use.	11
Section 5(a)(10) Summary of Each Audit Over 6 Months Old For Which No Management Decision Has Been Made.	None
Section 5(a)(11) Significant Revised Management Decisions.	None
Section 5(a)(12) Significant Management Decisions With Which the Inspector General Disagrees.	None

INSPECTOR GENERAL SUMMARY

We continued to work on an audit concerning the Agency's performance measurements and the draft report was pending before the Chairman and General Counsel at the close of this reporting period. In this audit we are evaluating:

- ◆ The information system(s) for collecting performance statistics;
- ◆ The methods for translating statistics into performance data; and
- ◆ The Agency's use of the performance data in communicating its caseload and accomplishments.

Our review has also assessed the Agency's status relative to implementing the Government Performance and Results Act (GPRA) which requires, beginning with Fiscal Year 1999, that each agency head submit to the President and Congress a report on program performance for the fiscal year just ended. Under the Act, agencies must establish performance goals for programs and identify performance indicators which assess whether measurable goals were achieved. Program funding could be affected by an agency's implementation of the Act

We initiated one audit during this reporting period: "Review of Employee Appraisal Process." This audit will: (1) examine the methodologies used in establishing performance plans for management officials; (2) evaluate the measures utilized in appraising these managers; (3) assess the processes for administering monetary and other awards, and (4) review the procedures utilized in identifying individual training needs.

During the current reporting period, the Acting Inspector General placed a major emphasis upon joint investigations with other law enforcement agencies and "partnering" with the Agency where it would be mutually beneficial and present no conflict of interest. Among the activities of the OIG were:

- ◆ Two cases were opened and continue under active investigation.
- ◆ Four cases were opened and investigated to closure.
- ◆ Four cases previously opened were investigated to closure during this reporting period.
- ◆ One case was referred to the Public Integrity Section, Criminal Division, Department of Justice for criminal prosecution.
- ◆ One joint investigation with the FBI was initiated.

- ◆ A joint review of Federal Employees' Compensation Act claims continued to be conducted by the Agency and OIG, resulting in improvement in the Agency's administration of the program.
- ◆ A joint review of government vehicles and paid parking spaces continued in a cooperative effort by the OIG and the Agency.
- ◆ Nineteen "HOTLINE" calls were received and screened. A large number of these calls related to other agencies - and follow-up was made with the caller resulting in referral to the appropriate Inspector General.
- ◆ Several investigative subpoenas were issued and successfully enforced by the Inspector General.
- ◆ One defendant was sentenced in Federal Court.

A summary of the matters pending in the OIG at the end of the reporting period includes:

- ◆ In conjunction with the Department of Labor Inspector General, the OIG has continued a self initiated extensive review of potential fraudulent Federal Employees Compensation Act claims against the Agency.
- ◆ Two joint investigations are being conducted by the OIG with Regional Inspectors General of the Department of Labor Inspector General.
- ◆ A previously initiated "partnered" effort with the General Counsel in the review of use of GSA leased parking facilities has been expanded to include the economy and efficiency of GSA car use and continues at this time.
- ◆ A previously initiated "partnered" effort with the Director of Administration continues and has already produced additional improvements in Agency case handling, cost tracking and supervisory staff training in the administration of the Federal Employees' Compensation Act.
- ◆ Two OIG Investigative Subpoenas have been issued and are pending return.
- ◆ Sixteen cases previously initiated remain open and under active investigation by the OIG.

SECTION 1

DESCRIPTION OF SIGNIFICANT PROBLEMS, ABUSES AND DEFICIENCIES RELATING TO ADMINISTRATION OF PROGRAMS AND OPERATIONS AND DESCRIPTION OF OIG RECOMMENDATIONS FOR CORRECTIVE ACTION (MANDATED BY SECTION 5 (a) (1) AND (2) OF THE ACT)

INVESTIGATIONS

The following investigation was completed during this reporting period:

Legality of Travel and Transfer Costs

An OIG Investigation . was initiated in 1992 to investigate travel, lodging and per diem costs of a senior official in connection with a transfer and detail.

Action Taken ... After an extensive investigation the prior Inspector General submitted a number of travel questions to the Comptroller General in 1994. In 1995, the Comptroller General concluded that the submitted questions involved issues that were within the discretion of the Agency. Accordingly, the Acting Inspector General submitted the questions to the General Counsel for his decision. Upon receipt of that decision, and a review of the case overall, the Acting IG concluded that there was no basis for any action against the senior official and closed the matter.

Statutory Priorities for NLRB Casehandling

An OIG Investigation . was initiated upon receipt of a complaint from a confidential source that the Impact Analysis Program (IAP) of the Office of the General Counsel was not consistent with the casehandling priorities of Sections 10(l) and (m) of the NLRA.

Action Taken . The investigation included a review of the IAP of the General Counsel. That program set out certain priorities for handling the investigation of cases in the Regional Offices. The complaint stated that these priorities were not consistent with the 8(b)(4), 8(b)(7) and 8(e) priorities of Section 10(l) and the priority to be accorded in Section 8(a)(3) cases under Section 10(m).

The OIG concluded that the IAP is not inconsistent with either the spirit or the historical application by this Agency of the statutory priorities of Sections 10(l) and (m) and takes greater cognizance of those priorities than has been done in the past. A reading of the limited legislative history of Section 10(m) does not suggest that it is to be mechanically applied or that it is intended to override the managerial and prosecutorial casehandling discretion granted to the General Counsel in Section 3(d) of the Act. The few references in the Legislative History show a Congressional concern about employee loss of job and livelihood prompted the priority provision.

This concern is reflected and accommodated in the IAP Report. The mandate of Section 10(m) if applied literally would give statutory priority to a one day suspension case over a bargaining order case; a priority clearly not contemplated by the Legislative History. In sum, the OIG concluded that the General Counsel has Section 3(d) authority to set casehandling priorities, that he must do so within the guidelines of Sections 10(l) and (m) and that the priorities set out in the IAP are not inconsistent with that authority or with those guidelines.

SECTION 2

SUMMARY OF MATTERS REFERRED TO PROSECUTIVE AUTHORITIES AND RESULTANT PROSECUTIONS AND CONVICTIONS (MANDATED BY SECTION 5 (a) (4) OF THE ACT)

The following matters were: (1) referred for prosecution during earlier reporting periods and remain pending, (2) referred for prosecution during this reporting period, (3) acted upon by prosecutive authorities during the reporting period with the noted results, and/or (4) had administrative action taken after a declination of prosecution:

In OIG-I-140, we referred a matter to the Public Integrity Section, Criminal Division, U.S. Department of Justice, consistent with the Inspector General's statutory responsibility under Section 4(d) of the Inspector General Act to "expeditiously report to the Attorney General whenever (there are) reasonable grounds to believe there has been a violation of Federal criminal law." This referral, raising potential violations of 18 United States Code Sections 287 and 1001, developed from an investigation opened after anonymous allegations were furnished to the OIG of a headquarters staff employee submitting false travel vouchers. This matter remains within the jurisdiction of the Department of Justice.

SECTION 3

**SUMMARY OF RESTITUTION MADE OR FINES PAID
AS A RESULT OF CIVIL OR CRIMINAL INVESTIGATIONS
AND/OR AUDITS
(NOT MANDATED BY THE ACT)**

Although not mandated by any provision of the Act, this section serves as a statistical summary of all amounts restituted or fines paid to the government as a result of investigations, both criminal and civil, or audits.

AMOUNTS RESTITUTED DURING REPORTING PERIOD

Audit Based Restitutions:

FY 1995: none

Investigation Based Restitutions and/or fines - Civil:

FY 1995: Initial forfeiture order of \$186,000.00; matter currently on appeal

SECTION 4

LIST OF EACH AUDIT REPORT ISSUED
(MANDATED BY SECTION 5(a)(6) OF THE ACT)

Dollar Value (in thousands of \$)

<u>REPORT TITLE AND NUMBER</u>	<u>QUESTIONED COSTS</u>	<u>UNSUPPORTED COSTS</u>	<u>RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE</u>
None	- 0 -	- 0 -	- 0 -

SECTION 5

**STATISTICAL TABLES SHOWING TOTAL NUMBER OF AUDIT REPORTS
AND TOTAL DOLLAR VALUE OF QUESTIONED AND UNSUPPORTED COSTS
(MANDATED BY SECTION 5 (a) (8) OF THE ACT)**

		<u>Dollar Value</u>	
	<u>NUMBER</u>	<u>QUESTIONED COSTS</u>	<u>UNSUPPORTED COSTS</u>
A. Reports for which no management decision had been made by the beginning of the reporting period	- 0 -	- 0 -	- 0 -
B. Reports issued during the reporting period	- 0 -	- 0 -	- 0 -
Subtotal (A + B)	- 0 -	- 0 -	- 0 -
C. For which a management decision was made during the reporting period:			
(i) Disallowed costs	- 0 -	- 0 -	- 0 -
(ii) 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 -

SECTION 6

**STATISTICAL TABLES SHOWING TOTAL NUMBER OF AUDIT REPORTS
AND DOLLAR VALUE OF RECOMMENDATIONS
THAT FUNDS BE PUT TO BETTER USE
(MANDATED BY SECTION 5 (a) (9) OF THE ACT)**

	<u>NUMBER</u>	<u>Dollar Value</u> <u>RECOMMENDATIONS THAT</u> <u>FUNDS BE PUT TO BETTER USE</u>
A. Reports for which no management decision had been made by the beginning of the reporting period	- 0 -	- 0 -
B. Reports issued during the reporting period	- 0 -	- 0 -
Subtotal (A + B)	- 0 -	- 0 -
C. For which a management decision was made during the reporting period:		
(i) Recommendations agreed to by management	- 0 -	- 0 -
(ii) Recommendations 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 -

APPENDIX A

**STRATEGIC PLAN
OFFICE OF INSPECTOR GENERAL
NATIONAL LABOR RELATIONS BOARD
FISCAL YEARS 1995 - 1999
(MANDATED BY A GAO REVIEW OF OIGs AT
DESIGNATED ENTITIES - NOV. 1993)**

I. AUDITS

One of the reasons the Inspector General Act was amended in 1988 (Pub. L. 100-504) was to provide an independent audit and investigative capability at 34 Designated Federal Entities including the National Labor Relations Board (NLRB). The mission of this Office of Inspector General (OIG) is to promote integrity, efficiency, and effectiveness at the NLRB by: (1) conducting audits and investigations in an independent manner and (2) objectively reporting to Agency officials and the Congress. We conduct audits that ascertain: the reliability of Agency assertions in its performance and financial reports; whether program goals are being achieved; if operations are conducted economically and in accordance with applicable laws and regulations; and whether resources are being safeguarded. We investigate allegations of fraud and abuse or other misconduct by NLRB employees and individuals who conduct business with the Agency.

The Agency's mission is to administer the principal labor relations law of the United States -- the National Labor Relations Act (NLRA) which is generally applied to all enterprises engaged in interstate commerce, including health care institutions and the United States Postal Service, but excluding other Governmental entities, railroads and airlines. The NLRA is intended to protect the public interest by helping to maintain peaceful relations among employers, labor organizations and employees by encouraging collective bargaining; and, by providing a forum for all parties to peacefully resolve representation and unfair labor practice issues.

RISK ASSESSMENT

During Fiscal Year 1993 remedial actions were taken regarding more than 11,000 cases of unfair labor practices which had been filed with the NLRB. As a result, over 4,000 employees were offered reinstatement. Over \$54 million in backpay and other reimbursements were recovered for more than 21,000 employees. Almost 22,000 charges of unfair labor practices were investigated and determined to lack merit and therefore dismissed by the Agency or withdrawn by the charging party. In Fiscal Year 1993, NLRB certified more than 3,600 elections in which over 223,000 employees were eligible to vote. During the next 5 years NLRB cases will effect actions that directly involve over one million workers and impact labor issues for many more. Our strategic plan is designed to ascertain whether the NLRB is fulfilling its mission in an effective and economical manner. During the next 5 years we will assess: management controls intended to

ensure the quality of casehandling; how well the functional areas are delivering support services to the program offices; and, the propriety of the Agency's process for reporting on its performance.

While formulating this strategic plan, we solicited the views of senior Agency officials, the Congressional committees which have an oversight interest in the NLRB, and OIG staff. In order to develop a strategic plan covering a 5-year period, the OIG identified the critical elements pertaining to program and functional areas at the NLRB. We utilized our audit universe to assess **the program and functional areas and ascertain those matters on which OIG resources will be focused**. Factors considered in determining audit priorities included requirements established by law or regulation, areas that appear susceptible to fraud or waste, dollar magnitude or impact of the activity on the Agency's mission, and the OIG's prior experience.

The NLRB's mission is primarily carried out in two ways: (1) by conducting secret ballot elections to determine if a group of employees wishes to be represented for collective bargaining purposes by a labor organization, and (2) by preventing and/or remedying unfair labor practices committed by employers and unions. Casehandling begins when an unfair labor practice charge or representation petition is filed with one of the NLRB's 52 Regional, Subregional or Resident Offices. In handling unfair labor practice cases, the NLRB is concerned with resolving labor disputes first by settlement and then, if necessary, through judicial proceedings. In order to handle cases and accomplish the NLRB's mission, program offices need support services in functional areas such as financial management, personnel matters, acquisition of goods and services, and information resources.

AUDIT STRATEGIES - PROGRAM AREAS

- ◆ The NLRB compiles statistics on the various stages of case processing and translates this data into performance information. Case processing relates to representation and unfair labor practice matters filed with the Agency. We will evaluate the: (1) information system(s) for collecting performance statistics; (2) process for translating statistics into performance data; and (3) Agency's use of the performance data in communicating its caseload and accomplishments. This evaluation may also provide useful information to the NLRB in relation to the Government Performance and Results Act of 1993. The Act requires, beginning with Fiscal Year 1999, that each agency head submit to the President and Congress a report on program performance for the fiscal year just ended. Under the Act, Federal managers must establish performance goals for agency programs and identify performance indicators which assess whether measurable goals were achieved. Program funding could be affected by an agency's implementation of the Act.

- ◆ Casehandling is the principal means by which the Agency accomplishes its mission. We will determine the effectiveness of management controls intended to ensure quality case work by evaluating the method(s) for: (1) establishing quality standards pertaining to casehandling; and (2) obtaining reasonable assurance that quality standards are being followed.

- ◆ Regional Offices receive unfair labor practice charges, investigate them, determine merit, and settle or prosecute those cases deemed meritorious. In some instances employees are awarded backpay or other reimbursements. During Fiscal Year 1993 over \$54 million in reimbursements to employees discriminated against in violation of their organizational rights was obtained by the NLRB from employers and unions. We will evaluate the controls over the computation and disposition of reimbursements.
- ◆ In some backpay cases, lump sum payments are remitted by employers or unions to NLRB's Finance Branch which handles distribution of the monies including tax calculations. If discriminatees cannot be located those monies are also remitted to the Finance Branch. We will evaluate the controls over the receipt, maintenance and disposition of those monies.
- ◆ Cases generally reach the headquarters Five-Member Board when parties contest decisions made by an NLRB Regional Director or an administrative law judge (ALJ). Cases involve either allegations of unfair labor practices by employers or unions; or disagreements about elections to determine whether employees wish to be represented by a union. The OIG will follow-up a review by GAO which reported that action was needed to improve case processing time at Headquarters.
- ◆ The NLRB is considering establishing time standards for ALJs to adjudicate cases. The Agency's Division of Judges may also take a more active role in conducting settlement negotiations with the parties to facilitate the expeditious resolution of unfair labor practice proceedings. We will assess the impact of these actions and whether the intended results are being achieved.

AUDIT STRATEGIES - FUNCTIONAL AREAS

- ◆ Assess the Agency's financial management function and ascertain whether it delivers accurate and timely data and if it provides stewardship over NLRB resources. Thus, we will determine if:
 - financial reports and statements were consistent and meaningful;
 - transactions were in conformance with appropriation law and processed in accordance with accounting principles;
 - there is accountability over property; and
 - internal controls are effective.

- ◆ Evaluate the effectiveness of NLRB's budgeting process. In doing so we will review budget:
 - planning;
 - formulation;
 - justification; and
 - allocation.

- ◆ Assess personnel practices for establishing employee responsibilities and appraising individual performances. Our review will also address:
 - performance measures;
 - awards; and
 - training.

- ◆ Evaluate whether controls over time and attendance practices are effective and are being implemented as intended. (Note: Time and attendance procedures are the primary controls over payroll costs which historically has represented about 77 percent of the expenses incurred by the NLRB.)

- ◆ Assess whether the acquisition function is meeting the Agency's needs in an effective and efficient manner. Separate evaluations will be conducted for goods versus services to assure that:
 - needs are clearly identified;
 - actions conform with laws and regulations;
 - purchases are competitively priced;
 - there is timely delivery and the acquired items were acceptable to user; and
 - there is property control.

- ◆ Determine if the NLRB's information resources function optimizes Agency effectiveness by providing employees with the tools needed to accomplish their duties. In doing so we will examine:
 - long range planning;
 - use of technology including research capabilities;
 - computer security; and
 - customer support.

OIG AUDIT RESOURCES

This Strategic Plan sets forth 13 audits which we believe substantially address areas in which the Agency must be effective if the NLRB is to accomplish its mission. We estimate 20 staff years will be needed to conduct the 13 audits over the 5-year period (4 FTE per year). A standard staff

year consists of about 1600 direct hours. We plan to expend about 50 percent of our direct audit resources on the program areas and 50 percent on the functional areas.

The OIG staff includes one supervisory and two staff auditors. Completion of this Strategic Plan within 5 years will necessitate that the audit staff devote all of its efforts to the 13 reviews previously identified. It is highly probable that, during the next 5 years, audit resources will be needed for projects other than the 13 reviews discussed in this Strategic Plan. In Fiscal Year 1995 the NLRB was appropriated about \$176 million including funding for a Full-Time Equivalent Employment (FTEE) of 2054. The NLRB's FTEE will be reduced to 1883 FTEE by the end of Fiscal Year 1999. Under these circumstances the Agency may not be able to allocate any additional positions to the OIG. Without additional personnel our Strategic Plan will require more than 5 years to complete. If successfully implemented this plan will: provide audit coverage to many of the most critical program and functional areas within the Agency; and, enable the OIG to assess many of the factors which could impede mission accomplishment by the NLRB.

PERFORMANCE MEASURES

- ◆ accomplishment of the OIG's Annual Audit Plan which identifies those reviews which are to be conducted each fiscal year
- ◆ results of the quality review -- performed every 3 years by an external entity -- which assesses the OIG's conformance with generally accepted government auditing standards
- ◆ audit recommendations accepted by the Agency and management's comments which are included in their entirety in each OIG report
- ◆ management's comments regarding the OIG's semiannual reports
- ◆ requests from management for services

STRATEGIC PLAN - INVESTIGATIONS

RESOURCE ANALYSIS

The investigative responsibility in the Office of Inspector General is assigned to the Inspector General and to the Counsel to the Inspector General. Criminal investigations are conducted by counsel.

RISK ANALYSIS

The NLRB has about 56 offices throughout the country and these offices and their staffs operate with a high degree of independence and autonomy from Washington. While the Agency itself is exceptionally well managed, this dispersion and independence of staff creates a somewhat greater potential for risk than what might be generally expected in a less dispersed organization.

ENVIRONMENTAL ANALYSIS

The Office of Inspector General at the NLRB has a high level of credibility and a reputation for independence. It is anticipated that this will continue, and that more staff and members of the public will continue to bring to the attention of the OIG areas of suspected improper activity. This is the re-active portion of the mission challenge. Other areas for potential investigation are less adaptive to being initiated by "hotline" or similar conduits and require pro-active efforts by the Inspector General and the proactive application of investigative and legal resources. One proactive method is to increase the visibility of the OIG. This heightened visibility will increase the effectiveness of OIG operations in an environment of limited resources by providing added deterrence to improper activities and by encouraging increased cooperation

Recognizing that the staffing is not likely to increase, it is incumbent upon the OIG to utilize its existing investigative assets in a manner that will have the greatest impact possible upon accomplishment of workload and in assuring that the overall goals - prevention and detection of fraud, waste and abuse and increasing the economy and efficiency of the Agency - are attained within available resources. To paraphrase the National Performance Review - to do more and better - with less - and do it more quickly and in a "smarter" manner.

OBJECTIVES - STANDARDS & PERFORMANCE

The objectives identified to guide the investigative and legal functions over the long term - and the stated Standard and current Performance are:

◆ **OBJECTIVE:** Provide timely responses to complaints brought to the OIG.

⇒ **STANDARD:** *Immediate Screening and Initial Case Disposition*

⇒ **PERFORMANCE:** *In all cases brought to the attention of the Inspector General, a full screening was accomplished, and, where appropriate, a full case was opened at once.*

◆ **OBJECTIVE:** Increase proactive identification of potential areas of abuse to assure early and effective interdiction.

⇒ **STANDARD:** *Minimum of One Pro-Active Area Active at All Times.*

⇒ **PERFORMANCE:** *The Acting Inspector General identified the Agency handling of claims under the Federal Employees Compensation Act as a proactive area of investigative program review, resulting in substantial progress by the Agency during the reporting period. The area of travel funds has been selected for the next proactive investigative review,*

◆ **OBJECTIVE:** Utilize available resources from other agencies either with concurrent jurisdiction or under "investigative assistance projects" such as envisioned by the Executive Committee on Integrity and Efficiency.

⇒ **STANDARD:** *10% of cases worked on a joint or assisted basis.*

⇒ **PERFORMANCE:** *In excess of 20% of open cases are being worked on a joint or assisted basis.*

◆ **OBJECTIVE:** Adopt enhanced investigative models to allow for expedited handling of investigations, while increasing quality outputs consistent with Department of Justice and Merit System Protection Board standards for referral where appropriate.

⇒ **STANDARD:** *All open cases under active investigation, with referral as appropriate.*

⇒ **PERFORMANCE:** *All open cases are under expedited case handling, with two criminal and one administrative referral during the reporting period.*

◆ **OBJECTIVE:** Place emphasis on conducting those investigations which will produce the greatest impact upon the effectiveness of Agency operations while continuing to develop quality criminal cases and administrative cases.

⇒ **STANDARD:** *A case is to be opened on each matter that will seriously effect operations.*

⇒ **PERFORMANCE:** *A case has been opened on every matter of significance that has been brought to the attention of the Inspector General, without creating a case backlog. Quality referrals continue to be made both to the Department of Justice and to the Agency.*

◆ **OBJECTIVE:** Enhance relationships with Agency officials to assure a cooperative effort wherever possible, and to provide accelerated release of investigations to allow the Agency to pursue appropriate administrative actions on a timely basis.

⇒ **STANDARD:** *Level of Customer Satisfaction.*

⇒ **PERFORMANCE:** *OIG has continued to work to build and maintain positive working relationships with Agency officials, resulting in enhanced level of joint projects. Administrative referrals have been made on a timely basis. No negative feedback has been received on investigative operations or reviews from the Agency.*

◆ **OBJECTIVE:** Maintain a high level of technical training and proficiency for staff to assure maximization of limited human resources.

⇒ **STANDARD:** *Level of Training Completed*

⇒ **PERFORMANCE:** *During the reporting period, the counsel/investigator continued training provided from a number of sources including the PCIE/ECIE, FLETC, the Department of Justice, Office of Personnel Management and others.*

◆ **OBJECTIVE:** Develop a high level of exposure within the Agency, the labor relations and Inspector General communities," both to develop confidence in among our "customers" the Inspector General's ability to recognize and respond to problems, and to assure a positive environment to implement recommendations.

⇒ **STANDARD:** *Level of Involvement*

⇒ **PERFORMANCE:** *Counsel maintains membership in the labor relations area of the Federal and American Bar Associations. Continuing association in activities of the Council of Counsels to Inspectors General, the PCIE/ECIE, the Federal Investigators Association, the Liaison Officers Association, the Association of Certified Fraud Investigators. Extensive outreach is made to all areas of the Agency. The counsel attended the National Ethic's Conference with the Designated Agency Ethics Officer, and worked on joint activities with Regions and several branches of the headquarters. The Acting Inspector General is active within the American Bar Association as a neutral co-chairman of one of the labor section committees and within the Association of Labor Relation Agencies as Vice President for Professional Development.*

◆ **OBJECTIVE:** **Protection of Whistleblowers and cooperating witnesses.**

⇒ **STANDARD:** *Level of Complaints and Positive Adjudication.*

⇒ **PERFORMANCE:** *No complaints were brought to the attention of the Inspector General during the reporting period.*

◆ **OBJECTIVE:** **Maximize the dollar return to the Agency aspect of OIG Operations.**

⇒ **STANDARD:** *Recovery of restitution and costs in all possible cases.*

⇒ **PERFORMANCE:** *The largest single recovery by the NLRB OIG, \$13,506.00, was made during the reporting period in an embezzlement case. The first recovery of investigative expenses by the OIG of \$3,000. was made in the same case, An initial forfeiture order by the Department of Labor of \$186,000. against an employee was made as a result of an investigation by the OIG.*

◆ **OBJECTIVE:** **Utilize OIG Program Review, Evaluation and Feedback to enhance existing operations.**

⇒ **STANDARD:** *Review and Update Investigative Strategic Plan.*

⇒ **PERFORMANCE:** *As a result of a continuing review of investigative operations and the strategic plan for investigations, this plan was fully re-worked, introducing strong performance measures and new objectives, during the past year.*

IMPLEMENTATION

Implementation of this Plan began a year ago. The Acting Inspector General required a thorough analysis of current assets and OIG obligations. To better coordinate the investigative and legal efforts, the open investigative caseload was assigned to Counsel to the Inspector General.

All open (and some closed) cases were analyzed to provide a substantial base to identify both potential challenges and means of enhancing available assets. A review was; conducted of each open case to determine additional work required to complete, what cases could be "moved" in a manner similar to that of litigation - multiple cases in "flow" on a simultaneous basis, rather than categorized primarily by priority. As a result the investigative backlog was eliminated, and the caseload reduced from fifty at the start of the strategic planning process to a dozen at this time.

Enhanced communications were developed both with the Chairman, the General Counsel and with the Designated Agency Ethics Official. As a direct result of the case review and the enhanced communications, the OIG was able to update quickly a number of files that were open because

they awaited input from the Agency. An additional number of cases were reviewed and it was determined that the allegations made, even if proven, were either not within the purview of the Inspector General or were so de minimis as not to warrant expenditure of assets. This further reduced the existing caseload.

The Agency and staff continue to be the source of information to open new investigations and provide cooperation in successfully completing other investigations. On cases referred to the OIG by the Agency for possible criminal action, thorough review by the OIG and the Department of Justice were accomplished with a one week turn-around, thus enabling the Agency to move forward expeditiously where, in the absence of DOJ action, there is a critical need for administrative action.

Consistent with the National Performance Review and this plan, the OIG provided technical assistance on Agency conducted investigation, and is working jointly on the review of another area with the Agency, developed from an OIG investigation. Two joint investigations are being conducted with the Inspector General; of the Department of Labor.

In analyzing potential risk areas, the Acting Inspector General identified the Federal Worker's Compensation Act Program (with an Agency chargeback of \$500,000 per fiscal year) as a potentially high risk area. Consistent with the strategic plan, a joint operating relationship has been developed with the Agency and the OIG of the Department of Labor. All current claims against the Agency are being reviewed and cases selected for further follow-up where the review indicates that investigation is warranted. Based upon recommendations of the OIG, the Agency is updating its operations in the area.

The Acting Inspector General has placed emphasis upon staff training opportunities beyond those previously available, and focused upon actual increases in economy and efficiency as the result of investigations, as well as modifications to this plan where appropriate

MAJOR BENCHMARKS

- ◇ An enhanced investigative model has been employed so that the all investigations open are operating in a "flow" towards completion and any new investigations can be initiated immediately.
- ◇ As a result of the ongoing fiscal status in the federal government, the OIG has re-directed its efforts in the recovery of funds for the Agency as a major priority in appropriate cases.
- ◇ As a result of our continuing review of operations and the strategic plan, the OIG has updated the plan to include both direct performance standards and results during the reporting period.

HELP ELIMINATE

WASTE

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PLEASE NOTIFY THE OFFICE OF INSPECTOR GENERAL (OIG) IF YOU ARE AWARE OF OR SUSPECT ANY SUCH ACTIVITY. YOU MAY CONTACT THE OIG IN ONE OF SEVERAL WAYS: (1) IN WRITING OR IN PERSON - OFFICE OF INSPECTOR GENERAL, 1099 14th Street, NW, ROOM 9820, WASHINGTON, DC 20570; (2) BY TELEPHONE - DURING NORMAL BUSINESS HOURS, CALL (202) 273 1960; 24 HOURS A DAY, USE THE NATIONAL TOLL FREE HOTLINE AT 1 800 736 2983 (SEE IG MEMORANDUM DATED MAY 15, 1992). THE HOTLINE IS A SECURE LINE AND CAN ONLY BE ACCESSED BY THE OIG STAFF FROM INSIDE THE OIG OFFICE. THE DEVICE WHICH WOULD PERMIT ANYONE, INCLUDING THE OIG STAFF, TO ACCESS THE HOTLINE FROM OUTSIDE THE OIG HAS BEEN DEACTIVATED SO IT CAN ONLY BE ACCESSED BY MEMBERS OF THE OIG STAFF FROM INSIDE THE OFFICE.

REMEMBER - THE OIG HOTLINE IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK.

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