

Semiannual Report to Congress

Office of Inspector General for the U.S. Department of Labor



A Message from the Inspector General

I am pleased to submit our *Semiannual Report to Congress* summarizing the activities of the U.S. Department of Labor (DOL or Department), Office of Inspector General (OIG), for the 6-month period ending March 31, 2024.

As reflected in our semiannual report, my office continues to highlight the major issues facing DOL identified through the OIG's independent audits and investigations. The OIG remains committed to conducting independent and objective oversight to improve DOL programs relied upon by millions of Americans.

The OIG has pivoted our post-pandemic oversight to focus on priority areas such as: (1) worker benefit programs, including unemployment insurance (UI) and workers' compensation; (2) worker safety and health, including occupational and miner safety and health and workplace rights; and (3) employment and training programs, including grants and the Job Corps program. However, the integrity of DOL's UI program continues to be threatened by ongoing fraudulent activity and programmatic weaknesses that preceded and were exacerbated by the pandemic.



Resource Limitations

Current resource limitations have hampered the OIG's ability to meet our core mission while also addressing the challenges that remain with pandemic-related oversight. Lower-than-expected appropriation levels for Fiscal Year (FY) 2023 and FY 2024, along with the depletion of supplemental pandemic oversight funds in FY 2024, has resulted in insufficient funding necessary to conduct oversight work of pandemic-related DOL programs and operations at the same level we have in the past. As a result, the OIG has been forced to wind down its pandemic oversight work.

In FY 2023, the OIG addressed the funding shortfall by, among other actions, implementing a hiring freeze and canceling 10 pandemic-related audits. We are taking additional actions in FY 2024, including halting the initiation of new pandemic UI fraud investigations, refocusing our pandemic-related UI proactive fraud data analytics program, and canceling certain pandemic-related audits, including certain Phase 4 work within our Pandemic Work Plan. In addition, we are curtailing our participation in U.S. Department of Justice pandemic-related task forces.

I remain concerned that these actions will have detrimental results, thus leading to fewer OIG audits and recommendations, lost opportunities to hold fraudsters accountable, and hundreds of millions of taxpayer dollars left unrecovered.

Statute of Limitations

Currently, the statute of limitations for many pandemic-related UI fraud cases will begin to expire in early 2025 as the statutes most often used to prosecute UI fraud have 5-year limitations.

Absent congressional action to extend the statute of limitations for fraud associated with pandemic-related UI programs, those who have defrauded the UI program may escape justice. Due to the pending expiration of the statute of limitations, as well as the lack of resources, the OIG will significantly curtail the opening of any new pandemic UI fraud investigations and will assess ongoing investigations for potential termination.

OIG Accomplishments

Despite these challenges, OIG staff continues to deliver high-quality oversight. In total, during this reporting period, the OIG issued 12 audit reports with 33 recommendations. Among our many significant findings, we reported:

- The Mine Safety and Health Administration did not complete an estimated 1,589 mandatory safety and health mine inspections before and during the COVID-19 pandemic;
- While the Bureau of Labor Statistics has taken actions to address challenges posed by declining survey response rates, they could do more to identify potential data limitations in their economic information and increase the transparency of those limitations;
- Although DOL established and maintained its information security program, our audit found weaknesses that demonstrated the information security program had not achieved a maturity rating of Managed and Measurable in three of the five Cybersecurity Framework Functions: Identify, Protect, and Recover; and
- The Department has not developed a formal, documented information technology (IT) modernization framework. While the Chief Information Officer has developed several elements that could become part of an IT modernization framework, we found those elements are not linked to one another nor documented as part of a larger, formalized process.

The OIG's investigative work also continued to yield impressive results, with a total of 190 investigative reports issued/cases closed, 275 indictments, 242 convictions, and more than \$78 million in monetary accomplishments. Highlights of this work follow:

- A Washington woman was sentenced to 5 years in prison and ordered to pay more than \$2 million in restitution for orchestrating a wide-ranging fraud scheme which involved the theft of more than \$3.3 million from federally funded pandemic assistance programs;
- A Maryland man was sentenced to 41 months in prison and ordered to pay restitution of more than \$2 million for his role in defrauding multiple State Workforce Agencies and the U.S. Small Business Administration (SBA) of federal pandemic relief programs, including the UI program and SBA's Economic Injury Disaster Loan program;
- A medical marketer was convicted for his role in a \$55 million compounding fraud scheme; and
- A Colombo crime family captain was sentenced to 51 months in prison for his participation in the long-running extortion of a senior official of a New York-based labor union and other criminal schemes.

While OIG staff members faced significant challenges during this reporting period, these outstanding accomplishments reflect their continued dedication and commitment to our mission.

In closing, I would like to thank Congress and the Department for their support of our work to identify improvements to DOL programs and operations and to protect the interests and benefits of the nation's workers and retirees.

A handwritten signature in black ink that reads "Larry D. Turner". The signature is written in a cursive, flowing style.

Larry D. Turner
Inspector General

OIG Mission

We serve the American people, DOL, and Congress by providing independent and objective oversight of Departmental programs through audits and investigations, and by combatting the influence of labor racketeering in the workplace.

Core Values

Excellence

We deliver relevant, quality, timely, high-impact products and services, through a workforce committed to accountability and the highest professional standards.

Integrity

We adhere to the highest ethical principles and perform our work in an honest and trustworthy manner.

Independence

We are committed to being free of conflicts of interest through objectivity and impartiality.

Service

We are a unified team, vigilant to duty through dedicated public service.

Transparency

We promote an environment of open communication through information sharing, accountability, and accurate reporting.

Strategic Goals

Goal 1: Deliver timely, relevant, and high-impact results.

Goal 2: Foster an internal OIG culture that drives high performance and engagement.

Goal 3: Promote responsible stewardship of OIG financial and non-financial resources.

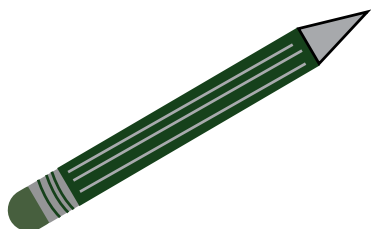
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Audit Statistics

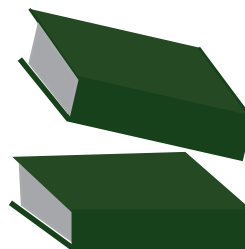
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Audits and Other Reports Issued



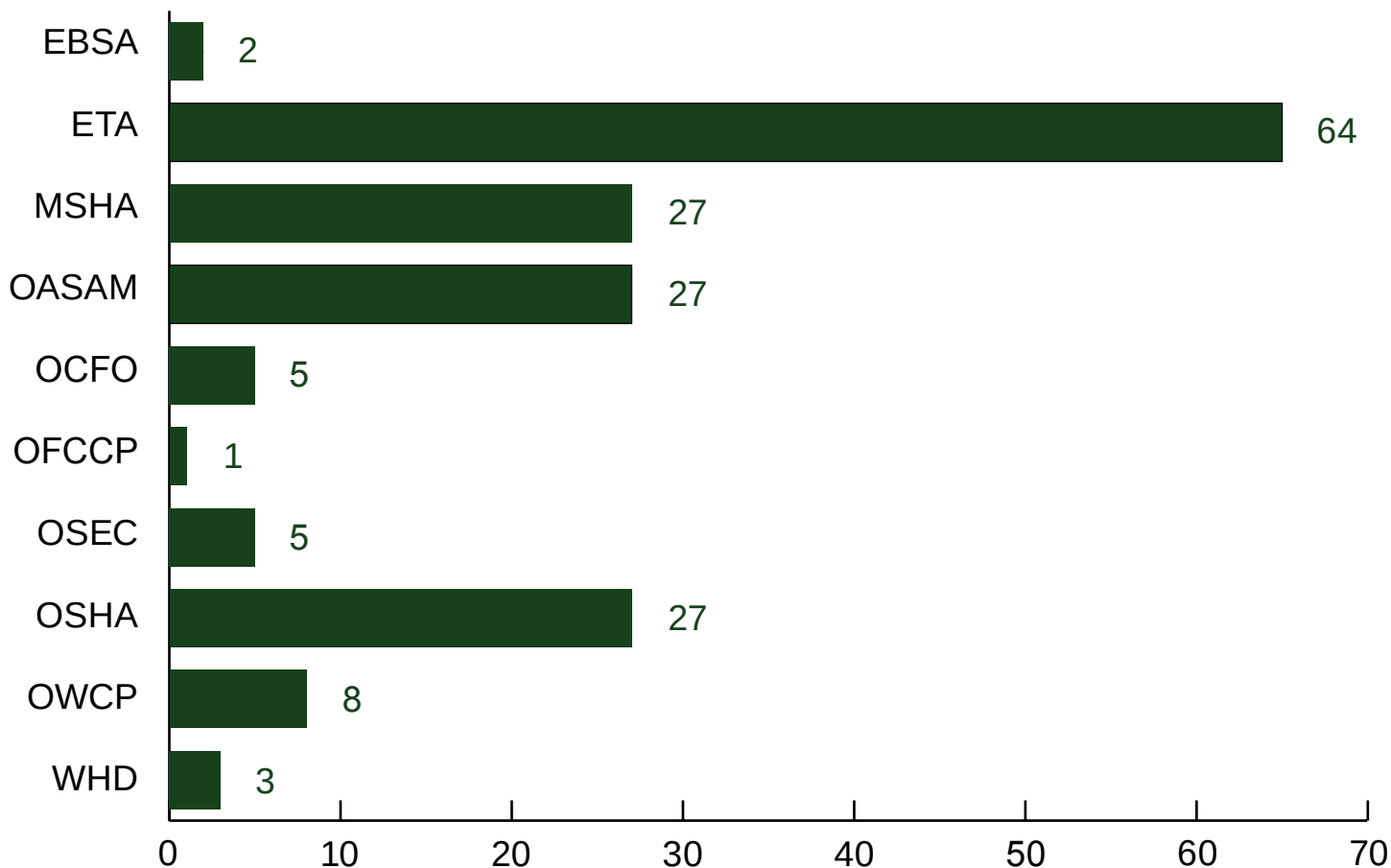
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Recommendations for Corrective Action



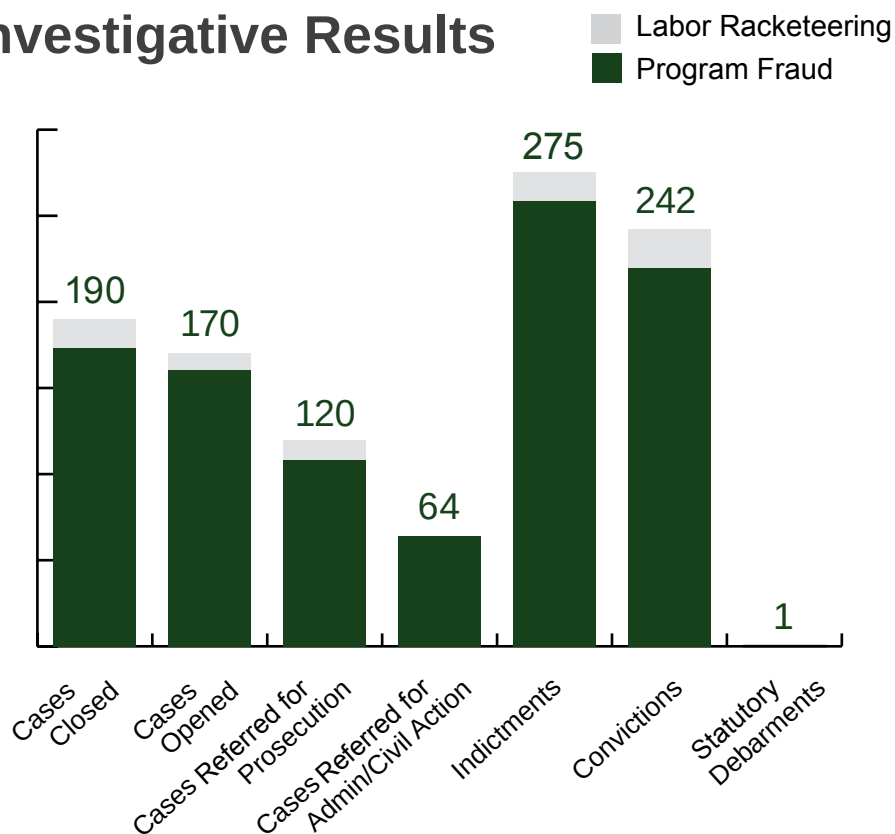
OIG Unimplemented Recommendations

OIG recommendations not fully implemented as of March 31, 2024

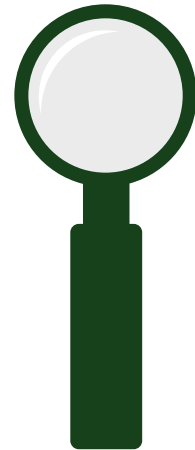


Investigative Statistics

Investigative Results

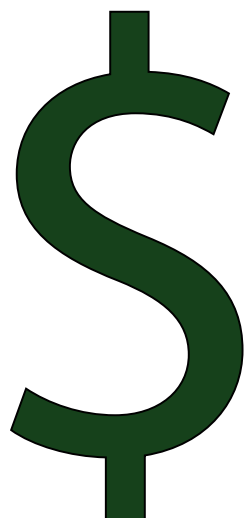


170/190



170 investigative cases opened and 190 cases closed

Monetary Accomplishments



Types include:

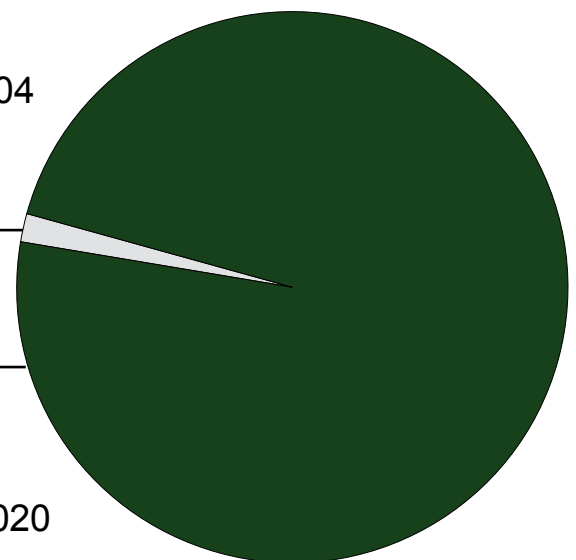
Recoveries
Cost-Efficiencies
Restitutions
Fines/Penalties
Forfeitures
Civil Monetary Actions

\$78,413,524

Total

\$1,264,504

\$77,149,020



Labor Racketeering
Program Fraud

Significant Concerns

Significant Concerns

The Office of Inspector General (OIG) has identified the following areas of significant concern that cause the U.S. Department of Labor (DOL or Department) to be at particular risk for fraud, mismanagement, waste, abuse, or other deficiencies. The identified areas of concern reflect continuing matters as well as emerging issues. Many of these issues are detailed in our annual Top Management and Performance Challenges report, which can be found in its entirety at www.oig.dol.gov.



Deploying Unemployment Insurance Benefits Expediently and Efficiently While Reducing Improper Payments



Extending the Statute of Limitations Associated with Pandemic-Related Unemployment Insurance Fraud



OIG Winding Down Pandemic Unemployment Insurance Oversight Work Due to the Expiration of the Statute of Limitations and Resource Constraints



Providing the OIG Access to UI Claimant Data and Wage Records



Returning Unused Funds in State UI Accounts to the Federal Government



Curtailling Child Labor Law Violations



Protecting the Safety and Health of Workers



Protecting the Safety and Health of Miners



Protecting the Security of Employee Benefit Plan Assets



Maintaining the Integrity of Foreign Labor Certification Programs



Improving the Performance Accountability of Workforce Development Programs



Ensuring the Safety of Students and Staff at Job Corps Centers



Managing Medical Benefits in the Office of Workers' Compensation Programs



Ensuring the Solvency of the Black Lung Disability Trust Fund



Managing and Securing Data and Information Systems



Significant Concerns

Deploying Unemployment Insurance Benefits Expeditiously and Efficiently While Reducing Improper Payments

The OIG has long reported significant concerns with the Department and state workforce agencies' (SWA)¹ ability to deploy unemployment insurance (UI) program benefits expeditiously and efficiently while ensuring integrity and adequate oversight. In the more than 4 years since the onset of the COVID-19 pandemic, our concern has grown as workers waited for UI benefits, improper payments soared, and our audit and investigative work found program weaknesses and related criminal activity persisted throughout and after the pandemic. We remain particularly concerned about deployment of UI benefits in response to future emergencies, including natural disasters and economic downturns. Unless more is done now at the federal and state levels to increase systemic integrity in the UI program, the program's weaknesses will continue to negatively impact American taxpayers and workers both under current conditions and in the face of the next emergency.

Our April 2020 advisory report outlined areas of concern that the Department and states should consider as they implemented UI provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. One of these areas was state preparedness, specifically, the issues of staffing and system capabilities. For example, many states had not developed or implemented UI information technology (IT) modernization plans to improve the timeliness and accuracy of UI benefits processing.² These challenges continue to persist beyond the pandemic period. Specifically, in January 2024, only 28 percent of reporting states were paying regular UI claimants timely versus 75 percent before the pandemic started.³ According to ETA officials, there has been an improvement in payment timeliness post-pandemic; however, further improvement is needed, as payments to claimants have been slowed down by the implementation of new identity verification processes. Moreover, the COVID-19 pandemic exposed weaknesses in the UI program that led to even higher levels of improper payments, including fraud.

Moreover, the COVID-19 pandemic exposed weaknesses in the UI program that led to even higher levels of improper payments, including fraud.

1 When referring to UI, this Semiannual Report to Congress uses "state" or "SWA" to refer to the administrative body that administers the program within the state, district, or territory. For the 50 states, as well as the U.S. Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia, that administrative body is a SWA. There are, therefore, 53 SWAs. The CARES Act also provided certain UI benefits to American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Guam, the Marshall Islands, and the Republic of Palau, provided they signed an agreement with the Department.

2 COVID-19: Audit of State Workforce Agencies' Information Technology Systems Capability in Processing Unemployment Insurance Claims, Report No. 19-23-008-03-315 (September 19, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/19-23-008-03-315.pdf>

3 Based on OIG analysis of data on the Employment and Training Administration's public reporting on States' UI Benefit Timeliness and Quality, available at: <https://oui.doleta.gov/unemploy/btq.asp>.

Significant Concerns

Reducing Improper Payments, Including Fraud

For over 20 years, the OIG has reported on weaknesses in the Department's ability to measure, report, and reduce improper payments in the UI program, which has experienced some of the highest improper payment rates across the federal government. The reported improper payment rate estimate for the regular UI program has been above 10 percent⁴ for 17 of the last 20 years.⁵

Over the last 3 years, the Department has reported historically high rates of improper payments, including fraud, in the UI program. Specifically, the Department reported an estimated improper payment rate of 18.71 percent for Fiscal Year (FY) 2021 and 21.52 percent for FY 2022. Based on our audit and investigative work, the actual improper payment rate for these periods, including the pandemic program period,⁶ was likely higher. For example, the Department reported an improper payment rate of 35.9 percent for the Pandemic Unemployment Assistance (PUA) program. Although the improper payment rate for FY 2023 has been reduced to 14.83 percent⁷, this rate still exceeds prepandemic levels and fails to meet federal requirements.

WHAT IS AN IMPROPER PAYMENT?

A payment is improper if it should not have been made or was to the wrong recipient.

*

Examples include overpayments and underpayments.

*

An improper payment can be unintentional or intentional.

*

Intentional improper payments are more commonly referred to as financial fraud.

4 To fully comply with the Payment Integrity Information Act of 2019, agencies must report an improper payment rate of less than 10 percent for each program and activity for which an estimate was published.

5 UI improper payments data for FY 2004 through FY 2022 as reported to the Office of Management and Budget (OMB).

6 With the exception of PUA, for which claims could be backdated to January 27, 2020, we define the UI pandemic period as March 27, 2020, through September 6, 2021.

7 At the time of the publication of this Semiannual Report to Congress, the OIG has not audited the reported improper payment rate. The OIG will assess that rate's compliance with the Payment Integrity Information Act of 2019 for FY 2023. That audit report will be available in Summer 2024.

Significant Concerns

In February 2023,⁸ Inspector General Larry D. Turner testified before Congress that more than \$888 billion in total federal and state UI benefits were paid for benefit weeks during the UI pandemic period. Applying the FY 2022 estimated 21.52 percent improper payment rate to the approximate \$888 billion in pandemic UI expenditures, at least \$191 billion in pandemic UI payments could have been improperly paid, with a significant portion attributable to fraud.⁹ The potential loss of \$191 billion of taxpayer money highlights the need for systemic improvements. To recover the improperly paid benefits and mitigate the impact of these losses, collaboration between the Department and states is vital.

As previously mentioned, in December 2023, the Department's Employment and Training Administration (ETA) issued Unemployment Insurance Program Letter 05-24, allowing states to apply their finality laws to pandemic-related UI programs. This guidance limits the time period in which a state is required to take any action with regard to pandemic UI claims, which raises concerns about the incentives for states to identify and recover improper payments, including fraud. The application of state finality laws, alongside the allowance of waivers (permission to waive the recovery of overpayments in certain situations), may result in an increase in unrecovered improper payments. Furthermore, if state agencies are not required to investigate cases beyond the finality period, many fraud cases might go undetected and unprosecuted.

Combatting Large-Scale Fraud

According to Department and state officials, the pandemic turned the UI program into an attractive target for fraud, a trend that persists today. Organized criminal groups continue to target the UI program, adapting to countermeasures and shifting tactics and locations to exploit systemic weaknesses.

Inspector General Larry D. Turner, during his March 2022 congressional testimony,¹⁰ reported that the unprecedented infusion of federal funds into the UI program—combined with continuing program weaknesses and easily attainable stolen personally identifiable information (PII)—

8 "The Greatest Theft of American Tax Dollars: Unchecked Unemployment Fraud," Hearing, Statement for the Record of Larry D. Turner, Inspector General, U.S. Department of Labor; House Committee on Ways and Means (February 8, 2023), available at: <https://www.oig.dol.gov/public/testimony/02082023.pdf>

9 Fraud is a type of improper payment. OMB explains that, at a high level, a payment is "improper" if made in an incorrect amount or to the wrong recipient. Improper payments can result in a money loss that was either unintentional (accidental) or intentional (fraud). For more information, see OMB, Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, Memorandum (March 5, 2021), last accessed September 27, 2022, available at: <https://www.whitehouse.gov/wp-content/uploads/2021/03/M-21-19.pdf>.

10 "Pandemic Response and Accountability: Reducing Fraud and Expanding Access to COVID-19 Relief through Effective Oversight," Hearing, Statement for the Record of Larry D. Turner, Inspector General, U.S. Department of Labor; Senate Committee on Homeland Security and Governmental Affairs (March 17, 2022), available at: <https://www.oig.dol.gov/public/testimony/20220317.pdf>

Significant Concerns

provided a high-value target for fraudsters to exploit. For example, an individual could make a fraudulent claim with relatively low risk of being caught and, as time went on, one fraudster could have been issued several UI debit cards, with tens of thousands of dollars on each card. In fact, in 2023, the Government Accountability Office (GAO) estimated pandemic-related fraud in the UI program to be as high as \$135 billion.¹¹

Our investigators have identified crimes related to UI fraud committed by bad actors both in the United States and abroad. Specifically, our work has resulted in the indictment/initial charging of over 1,700 criminals. These criminals include organized groups whose members and associates engaged in acts involving murder, assault, narcotics trafficking, identity theft, and other crimes.

When the OIG identifies anti-fraud measures that may help the program, we share them with the Department and SWAs, as appropriate. For example, our investigators, auditors, and data scientists collaboratively identified¹² \$46.9 billion in potentially fraudulent UI benefits paid in six high-risk areas, to individuals with Social Security numbers:

1. filed in multiple states,
2. of federal prisoners,
3. used to file for UI claims with suspicious email accounts,
4. of deceased persons,
5. belonging to individuals under 14 years of age, and
6. belonging to individuals 100 years of age or older.

We recommended states establish effective controls to mitigate fraud and other improper payments to ineligible claimants and are examining whether states took effective measures to address the initial four high-risk areas.¹³ Additionally, in Spring 2023, we started assessing the effects of waivers and blanket waivers on the recovery of UI overpayments, including fraud. While DOL provided guidance correctly stating that recovery of fraudulent payments may not be waived, we remain concerned that states may have unintentionally waived or will waive fraudulent payments. Further, in December 2023, ETA revised its guidance, allowing states to apply their finality laws for pandemic UI programs. The OIG is concerned that the application of finality laws may have a negative impact on the detection and collection of fraudulent pandemic UI claims.

11 GAO, Unemployment Insurance: Estimated Amount of Fraud during Pandemic Likely between \$100 Billion and \$135 Billion, GAO-23-106696 (September 2023), available at: <https://www.gao.gov/assets/gao-23-106696.pdf>

12 Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program, Report No. 19-23-012-03-315 (September 25, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/19-23-012-03-315.pdf>

13 Previously, we have reported on four high-risk areas; we added two areas: individuals with Social Security numbers belonging to persons under 14 and over 100 years of age.

Significant Concerns

Extending the Statute of Limitations Associated with Pandemic-Related Unemployment Insurance Fraud

We are extremely concerned that, unless Congress acts urgently to extend the statute of limitations for fraud associated with pandemic-related UI programs, many groups and individuals that have defrauded the UI program may escape justice. As the primary federal law enforcement agency responsible for providing oversight of the UI program, the OIG has vigorously pursued pandemic-related UI fraud. As of March 31, 2024, OIG investigations have resulted in more than 1,700 individuals being charged with crimes involving UI fraud since April 2020.¹⁴

As of March 31, 2024, OIG investigations have resulted in more than 1,700 individuals being charged with crimes involving UI fraud since April 2020.

The OIG was tasked with investigating an exceptional volume of complex pandemic-related UI fraud cases. Despite the OIG's tireless efforts, the current statute of limitations associated with UI fraud means federal law enforcement will fall short in fully investigating and prosecuting the most egregious cases of UI fraud. Currently, the statute of limitations for many of these cases will begin to expire in early 2025 as the statutes most often used to prosecute UI fraud have 5-year limitations.

Specifically, the volume of the OIG's UI investigative matters increased a thousandfold during the pandemic. Previously, the OIG opened approximately 100 UI fraud investigative matters each year. As of March 2024, the OIG has opened more than 207,000 investigative matters related to the pandemic. We continue to receive, on average, 100 new UI fraud complaints each week.

As a direct result of the exponential increase in pandemic-related UI fraud referrals, OIG investigators continue to carry the largest case inventory in the OIG's history. We are still dedicating the majority of our investigative resources to addressing pandemic-related UI fraud matters. This issue is further exacerbated by the OIG's significant reduction in the number of investigators onboard due to the near exhaustion of supplemental pandemic funding, resulting in a substantial decrease in investigative capacity.

Pandemic-related UI fraud referrals that we receive often include complex schemes involving criminal enterprises and bad actors who use sophisticated techniques to maintain their anonymity. As such, these investigations require significant resources and time. We leverage additional resources by partnering with SWAs, the U.S. Department of Justice (DOJ), and other federal law enforcement agencies on the National Unemployment Insurance Task Force, the COVID-19 Fraud Enforcement Task Force, and the COVID-19 Fraud Enforcement Strike Force teams to investigate and prosecute UI fraud.

¹⁴ For more details about OIG investigations, visit our Pandemic Response Portal at: https://www.oig.dol.gov/OIG_Pandemic_Response_Portal.htm.

Significant Concerns

While these investigative resources helped us address the incredible volume of UI fraud matters, the process of collecting and cleaning¹⁵ the SWA data required a significant amount of time. We leveraged the UI data we were able to collect to identify those matters that posed the greatest risk to the UI program. However, as a result of the lack of resources and pending expiration of the statute of limitations, the OIG has begun to pivot away from pandemic UI investigations.

Supplemental pandemic resources from Congress allowed the OIG to hire more criminal investigators and significantly expand the number of staff reviewing UI fraud matters. Unfortunately, the OIG is in the process of reducing staffing to below pre-pandemic levels due to the near exhaustion of the supplemental funding provided by Congress. In late FY 2023, we eliminated all of the approximately 20 contract staff we had been using to triage the approximately 205,000 UI fraud complaints we received during the pandemic. Despite our dwindling resources, the OIG anticipates continuing the investigation of already open pandemic-related UI fraud matters until the statute of limitations expires. However, due to the lack of resources and impending expiration of the statute of limitations, we will significantly curtail the opening of any new pandemic UI fraud investigations. Further, we will continue the pause in reviewing the approximately 150,000 open UI fraud complaints we currently have awaiting review. Absent congressional action, the statute of limitations will begin to expire in early 2025.

In August 2022, an extension of the statute of limitations was implemented for crimes involving the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program. Congress should likewise consider extending the statute of limitations for existing laws when pandemic-related UI programs are defrauded. The expansion of the statute of limitations would provide investigators and prosecutors time to pursue and hold accountable those who defrauded the UI program and victimized the American people during the pandemic.

OIG Winding Down Pandemic Unemployment Insurance Oversight Work Due to the Expiration of the Statute of Limitations and Resource Constraints

The OIG received \$38.5 million under the CARES Act and the American Rescue Plan Act to oversee DOL's pandemic-related programs and operations, with an emphasis on combatting the unprecedented levels of fraud in the UI programs. These funds were instrumental in the OIG being able to secure, thus far, more than 1,700 indictments or initial charges; 1,150 convictions; 26,000 months of incarceration; and \$1 billion in investigative monetary outcomes associated with pandemic-related UI fraud. These funds also allowed the OIG to issue 50 audit reports that included 150 recommendations for corrective action by DOL, as well as more than \$75 billion in funds put to better use and \$277 million in questioned costs related to DOL's pandemic-related programs and operations (see Table 1).

¹⁵ SWA data "cleaning" involves verifying data to ensure it is complete, consistent, and in a common format to analyze and identify potential fraud and programmatic weaknesses.

Significant Concerns

Table 1: DOL OIG’s Cumulative Pandemic-Related Results, as of March 31, 2024

Results	
Audit Reports	50
Recommendations	150
Funds Identified for Better Use	\$75 billion+
Questioned Costs	\$277 million+
Indictments/Initial Charges	1,700+
Convictions	1,150+
Months of Incarceration Ordered	26,000+
Investigative Monetary Results	\$1 billion+

However, these funds will be completely expended in FY 2024. The expenditure of the supplemental pandemic oversight funds—combined with appropriation levels that were lower than expected for FY 2023 and FY 2024 and the impending expiration of the statute of limitations associated with pandemic-related UI fraud—is forcing the OIG to wind down its pandemic oversight work.

In FY 2023, we took the following actions to reduce our pandemic oversight work:

- implemented a hiring freeze,
- canceled 10 pandemic-related audit performance contracts, and
- terminated the hotline triage contract that processed pandemic-related complaints.

In FY 2024, the OIG is taking the following additional actions:

- stopping initiation of new pandemic UI fraud investigations,
- assessing ongoing investigations for potential termination due to resource constraints and the expiration of the statute of limitations in early 2025,
- discontinuing our pandemic-related UI proactive fraud data analytics program and refocusing our analytics program on post-pandemic programs across DOL,
- reducing our participation on the DOJ National UI Fraud Taskforce and COVID-19 Fraud Enforcement Taskforce, and
- canceling certain pandemic-related audits, including Phase 4 work within the OIG’s Pandemic Work Plan.

Considering the significance of our resource constraints, the OIG will also need to suspend certain non-pandemic discretionary audits included in our FY 2024 Audit Work Plan. This will ensure we can operate within the FY 2024 funding levels and complete ongoing pandemic-related work.

Significant Concerns

We remain concerned that these actions will have detrimental results, including fewer audits that identify much-needed improvements in DOL programs and operations, lost opportunities to hold fraudsters accountable, and hundreds of millions of taxpayer dollars that could be left unrecovered.

The OIG is committed to serving the American people, DOL, and Congress by providing independent and objective oversight of Departmental programs through audits and investigations, and by combatting the influence of labor racketeering in the workplace. However, absent dedicated funds for overseeing pandemic-related programs and operations, the OIG must pivot away from pandemic-related UI oversight and provide more balanced oversight of all DOL programs and operations. The OIG

will continue using our existing resources efficiently and effectively by applying our risk assessment process. This process will help us determine how to best focus our available resources to provide impactful audit and investigative oversight across all DOL agencies and programs.

We remain concerned that these actions will have detrimental results, including fewer audits that identify much-needed improvements in DOL programs and operations, lost opportunities to hold fraudsters accountable, and hundreds of millions of taxpayer dollars that could be left unrecovered.

Providing the OIG Access to UI Claimant Data and Wage Records

Barriers to the OIG's ongoing, timely, and complete access to UI claimant data and wage records from SWAs remains a significant concern. This deficiency directly and adversely impacts the OIG's ability to provide independent oversight and combat fraud, waste, and abuse to help DOL improve the integrity of the UI program. Access to UI claimant data and wage records would permit the OIG to leverage the power of predictive analytics to continuously monitor DOL programs and operations to detect and investigate fraud. Continuous monitoring serves as a deterrent to fraud, allows the OIG to promptly discover areas of weakness, and enables DOL management to timely correct problems.

To effectively address the challenges posed by the pandemic, we took a proactive stance, employing data analytics at both national and state levels to identify high-risk areas within the UI program. However, the OIG's ability to proactively detect UI fraud continues to be impacted by DOL's interpretation that the OIG's ongoing, timely, and complete access to UI claimant data and wage records was limited to the pandemic period and related grants.

Prior to and during most of the pandemic period, DOL maintained that, under its regulations, SWAs were only required to disclose UI data to the OIG for specific fraud investigations. DOL asserted it lacked the authority—outside of revising the existing regulations through notice and comment rulemaking—to require SWAs to provide UI data to the OIG for audits and investigations, despite the Inspector General Act of 1978, as amended, authorizing the Inspector General's access for such

Significant Concerns

purposes. As a result, the OIG took the unprecedented step of using Inspector General subpoenas to obtain this critical data.

DOL continues to interpret regulations at 20 C.F.R. Part 603 as prohibiting ETA from requiring SWAs to provide UI data to the OIG for all audit purposes and for investigative purposes other than those involving specific instances of suspected fraud. This interpretation and subsequent guidance to SWAs contradicts the Inspector General Act of 1978, as amended, which authorizes mandatory Inspector General access to information available to DOL, including grant recipient information related to DOL programs, such as SWAs' UI data.¹⁶ In our June 2021 alert memorandum,¹⁷ we recommended ETA amend its regulations to reinforce that SWAs' UI information must be provided to the OIG for all engagements authorized under the Inspector General Act of 1978, as amended.

To date, the Department has only implemented temporary solutions that are not sufficient to resolve the OIG's recommendation or concerns. The Department has required sharing of state UI data as a condition of several recent grants, including fraud prevention and IT modernization grants, to provide such access through 2028.

ETA announced its intent to amend its regulations to facilitate the OIG's ongoing access. Also, in July 2023, ETA requested public comment on potential revisions that would require states to disclose unemployment compensation data to the OIG for oversight, including audits. Until DOL implements a permanent solution ensuring the OIG's complete and timely access to UI program data and information, the Department's interpretation of its regulations may renew impediments to the OIG's access experienced prior to and during the pandemic.

In an alert memorandum issued September 21, 2022,¹⁸ the OIG highlighted DOL's authority to amend its interpretation of its regulations without changing the regulations themselves. Specifically, ETA can issue guidance to inform SWAs that they must timely provide UI data without any constraints to the OIG for audits and investigations consistent with the Inspector General Act of 1978, as amended. The historic levels of improper payments that the OIG has identified, including potential fraud, support the conclusion that the OIG's continued access to state UI data is imperative.

16 Further, only a federal statute, not DOL's regulations, can supersede the Inspector General's access authority, and only if it expressly states that it limits the Inspector General's authority.

17 Alert Memorandum: The Employment and Training Administration Needs to Issue Guidance to Ensure State Workforce Agencies Provide Requested Unemployment Insurance Data to the Office of the Inspector General, Report No. 19-21-005-03-315 (June 16, 2021), available at: <https://www.oig.dol.gov/public/reports/oa/2021/19-21-005-03-315.pdf>

18 Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion, Report No. 19-22-005-03-315 (September 21, 2022), available at: <https://www.oig.dol.gov/public/reports/oa/2022/19-22-005-03-315.pdf>

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In addition to the Inspector General Act of 1978, as amended, Congress should consider legislative action that would specifically authorize DOL and the OIG to have ongoing, timely, and complete access to UI claimant data and wage records for our oversight responsibilities. Ongoing, timely, and complete access to SWA UI claimant data and wage records would further enable the OIG to quickly identify largescale fraud and expand its current efforts to share emerging fraud trends with ETA and states to strengthen the UI program and deter fraud.

Returning Unused Funds in State UI Accounts to the Federal Government

As a result of recent work, we are concerned that a significant amount of pandemic-related federal funding remains in state UI accounts. For example, in two CARES Act UI programs—Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week (TFFF) and Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations (EURGENO)¹⁹—recent work has identified the need for reconciliation of more than \$5 billion²⁰. These programs made funding available to SWAs through reimbursements that states drew down from state UI accounts. The programs ended in September 2021; however, some of the remaining funds may be attributable to claim adjustments that SWAs still need to make. The Department and SWAs need to perform reconciliations to determine exactly how much money needs to be deobligated and returned to the U.S. Department of the Treasury (Treasury).

During our audit of TFFF, we identified that the Department made approximately \$12.5 billion of funding available in the 53 SWAs' invested Federal Unemployment Accounts.²¹ The SWAs accessed the funds as reimbursement of 100 percent²² of benefits paid to claimants for their first week of regular UI compensation. Overall, the 53 states drew down about \$7.5 billion of the approximately \$12.5 billion made available, leaving nearly \$5 billion (40 percent) unused as of July 31, 2023—more than 22 months after the benefit eligibility period expired. To reduce unused funds' vulnerability to fraud,

19 In Unemployment Insurance Program Letter 18-20, EURGENO is identified as the "Emergency Unemployment Relief for State and Local Governmental Entities, Certain Nonprofit Organizations, and Federally-Recognized Indian Tribes."

20 COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program, Report No. 19-23-015-03-315 (September 28, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/19-23-015-03-315.pdf>; and COVID-19: Unemployment Relief For Governmental Entities and Nonprofit Organizations Should Have Been Better Managed, Report No. 19-23-010-03-315 (September 21, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/19-23-010-03-315.pdf>

21 Treasury transfers funds from the general fund to the Federal Unemployment Account in amounts estimated by the Department to be necessary to reimburse the states for first week regular UI compensation paid. The Federal Unemployment Account is an account within the federal UI trust fund that pays for the costs to administer the UI program, emergency benefits, loans to state trust funds, and program expansions like the CARES Act.

22 Although this amount was temporarily reduced to 50 percent from January through mid-March of 2021, it was retroactively restored to 100 percent for that period through the program's expiration in September 2021.

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waste, and abuse, the Department needs for states to reconcile and close out these accounts and return the funds to Treasury.

During our audit of EURGENO, we identified that the Department made approximately \$6.3 billion of relief funds available to the 53 SWAs' UI trust funds. EURGENO was designed to mitigate the effects of the pandemic on employers that reimburse SWAs for eligible UI benefits paid (reimbursing employers). The SWAs accessed relief funds to provide refunds to reimbursing employers or to fund credits extended to these employers—amounting to 50 percent²³ or 75 percent²⁴ of the employers' cost of UI benefits.

The Department and SWAs need to perform reconciliations to determine exactly how much money needs to be deobligated and returned to the Treasury.

However, the audit identified that, 16 months after EURGENO ended,²⁵ approximately \$844.1 million of EURGENO relief funds (19 percent of the total \$4.5 billion allocated), remained unused in 32 states' UI trust funds. Given that this data does not include 21 SWAs, there could potentially be millions of dollars more remaining in other states' UI trust funds that needs to be returned to the federal government. As previously stated, the Department and SWAs need to perform reconciliations to determine exactly how much money needs to be deobligated and returned to the Treasury.

Curtailing Child Labor Law Violations

Collectively, U.S. labor laws cover most private, state, and local government employment and protect more than 165 million of America's workers in more than 11 million workplaces. The Fair Labor Standards Act of 1938 sets standards for minimum wage and overtime, among others, including youth employment. Enforced by DOL's Wage and Hour Division (WHD), the standards for youth employment are commonly known as child labor laws and are meant to ensure youth employment is safe, appropriate, and does not jeopardize youth health, well-being, or educational opportunities. We are concerned about the rise in child labor law violations and the recent reductions in state child labor protections with additional proposals pending.

In FY 2023, DOL concluded 955 investigations that found child labor violations—a 14 percent increase from the previous year. DOL found nearly 5,800 children employed in violation of the law—

23 Under the CARES Act provisions, reimbursing employers were eligible to receive relief through refunds after they paid their bills in full. On August 3, 2020, the Protecting Nonprofits from Catastrophic Cash Flow Strain Act of 2020 became law, which required states to provide reimbursing employers with 50 percent relief through credits.

24 On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law, which increased the relief percentage from 50 percent to 75 percent, beginning after March 31, 2021. According to Departmental guidance, this effectively increased the rate by the week ending April 11, 2021.

25 The EURGENO program ended on September 6, 2021. As of February 1, 2023, the total balance for the 32 states remained at approximately \$844.1 million.

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an 88 percent increase within the last 5 years. In addition, DOL assessed more than \$8 million in related penalties—an 83 percent increase from the previous year. Notably, this increase in child labor law violations is occurring while the WHD struggles to retain investigators.

Further complicating the issue, two laws recently passed in Arkansas and Iowa to weaken child labor protections. Similarly, in 2023, multiple bills to weaken child labor protections were introduced in Minnesota, Missouri, Nebraska, Ohio, and South Dakota. We are currently examining the WHD's efforts to curtail child labor law violations and are attempting to determine the cause for the rise of these violations.

Protecting the Safety and Health of Workers

Responsible for the safety and health of approximately 130 million workers employed at more than 8 million worksites, the Occupational Safety and Health Administration (OSHA) must ensure employers are providing the level of protection required under relevant laws and policies. Federal law entitles U.S. workers to a safe and healthful workplace. Failure to keep workplaces free of known safety and health hazards can lead to serious legal consequences, injuries, illnesses, and fatalities. The OIG remains concerned about OSHA's ability to target its compliance activities to areas where it can have the greatest impact.

OSHA carries out its compliance responsibilities through a combination of self-initiated inspections and those resulting from complaints and referrals. For FY 2023, OSHA reported conducting 34,273 inspections, including 17,480 unprogrammed inspections. Unprogrammed inspections result from employee complaints, injuries/fatalities, and referrals. OSHA must target the most egregious or persistent violators to protect the most vulnerable worker populations. OSHA has since increased its number of inspectors—from 750 in 2021, to 846 as of February 29, 2024. However, OSHA continues to be challenged with reaching the number of worksites for which it is responsible.

The OIG also found²⁶ OSHA's Site-Specific Targeting programs—which were specifically designed to reach establishments with high rates of serious injuries—had limited controls in place to ensure an adequate number of targeted Site-Specific Targeting program inspections occurred. It also did not timely monitor program activity to determine how many of the proposed inspections actually occurred until after the programs ended. Very few inspections of targeted establishments meant workers remained vulnerable to continuously high rates of injury and illness.

Further, OSHA's ability to target enforcement is also impacted by its limited visibility into the numbers and types of injuries and illnesses occurring in warehouses, including those classified as

²⁶ COVID-19: OSHA Needs to Do More to Address High Injury Rates of Warehouse Workers, Report No. 19-23-013-10-105 (September 27, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/19-23-013-10-105.pdf>

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online retailers. We found, on average, between 2016 and 2020, 59 percent of establishments in all industries failed to submit their mandatory annual injury and illness reports to OSHA. Additionally, OSHA could not identify if an establishment met the criteria for mandatory reporting and, therefore, could neither proactively remind specific establishments that they must report, nor effectively cite employers for non-compliance. Establishments' non-reporting continues to be a challenge for OSHA and results in an incomplete view of workplace injury and illness.

Protecting the Safety and Health of Miners

The Mine Safety and Health Administration's (MSHA) mission is to prevent death, injury, and illness from mining and promote safe and healthful workplaces for U.S. miners. The OIG is significantly concerned about four aspects of MSHA's ability to successfully fulfill its mission: (1) conducting inspections, (2) writing violations for identified hazards, (3) reducing fatalities, and (4) improving the frequency of MSHA's sampling for silica.

First, we are concerned about MSHA's ability to conduct inspections. The Federal Mine Safety and Health Act of 1977 requires MSHA to inspect every underground mine at least four times per year and every surface mine at least two times per year. An OIG audit²⁷ found MSHA did not complete an estimated 1,589 mandatory inspections during FY 2018 through FY 2021 despite reporting a nearly 100 percent completion rate. Subsequently, MSHA agreed to transparently report each year the number of attempted inspections caused by either a mine not operating at the time of the inspector's visit or a mine operator denying an MSHA inspector entry to the mine. However, accurate reporting will remain a concern for the OIG until we can verify MSHA's reporting changes. In addition, MSHA's completion of mandatory inspections remains a concern until the agency sufficiently implements corrective actions for all of the report's recommendations.

Further, the agency is challenged with verifying the operating status of mines and identifying when mines need a change in status in its system. Discrepancies in a mine's status can create issues because the status factors into how many inspections MSHA is required to conduct at the mine. MSHA's failure to maintain accurate mine statuses in its system has also led to other significant issues. For instance, MSHA may be unaware of a mine shifting to abandoned status. Abandoned mines must be sealed in accordance with the Federal Mine Safety and Health Act of 1977 to avoid presenting a danger to the public. Also, the elimination of inspection requirements due to idle mine visits has contributed to MSHA's challenge of not conducting mandatory inspections. Specifically, MSHA eliminated mandatory mine inspection requirements by instead counting inspectors' visits to mines that were not operating at the time of the visit, thus reducing the overall number of mines inspected.

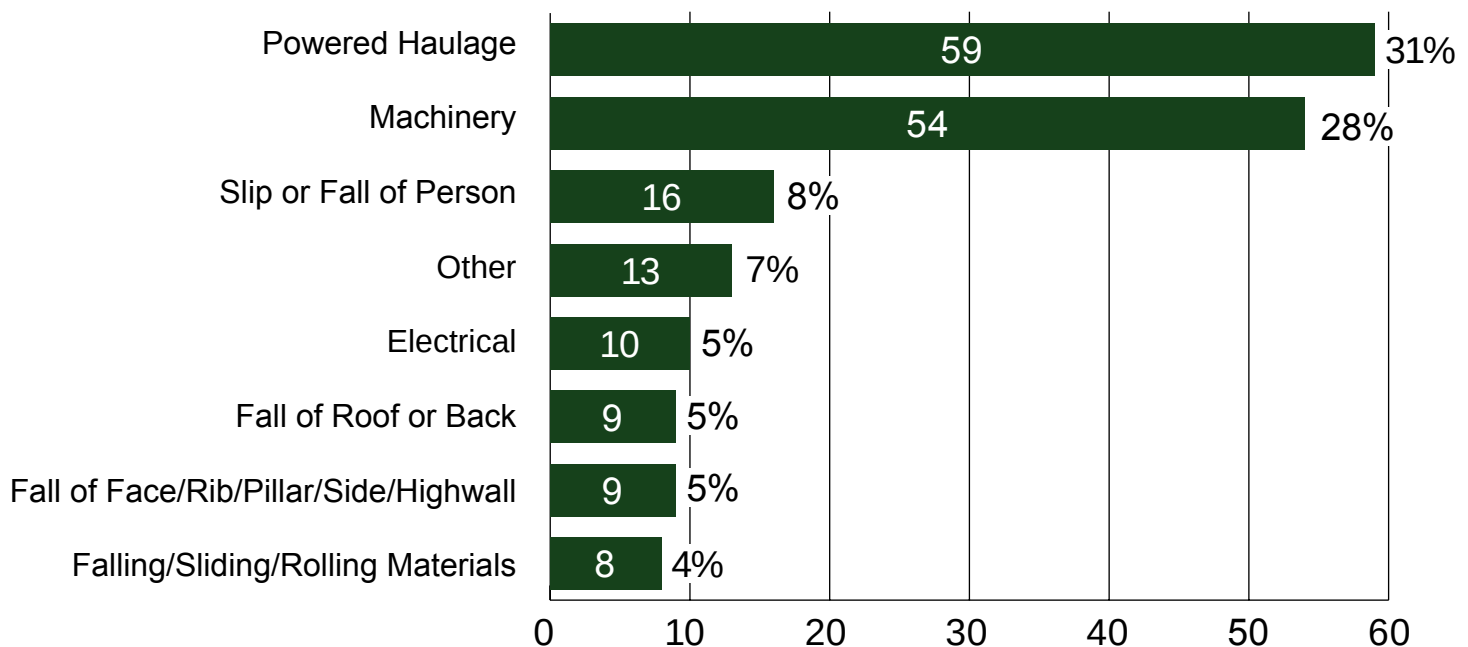
27 COVID-19: MSHA Did Not Complete or Accurately Report Mandatory Inspections, Report No. 19-24-001-06-001 (October 17, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2024/19-24-001-06-001.pdf>

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Second, we are concerned about MSHA’s ability to write violations for hazards that it identifies during inspections. An OIG audit²⁸ found MSHA inspectors were not writing violations that adhered to the Federal Mine Safety and Health Act of 1977 and MSHA guidance for two reasons: (1) they were not following the guidance, and (2) system controls were missing or improperly designed. We also found MSHA inspectors were extending violations for unjustified reasons and not timely verifying whether mine operators had abated hazards by required due dates. This was generally due to inspectors being responsible for mines located across large geographic areas and not revisiting the mines by the due dates. This concern is compounded by issues with MSHA’s pre-assessment conferencing program, in which operators can challenge violations they feel MSHA inspectors did not write correctly. MSHA has not successfully implemented corrective actions for all nine recommendations we issued in 2019 regarding its pre-assessment conferencing program.²⁹

Third, we are concerned about the high level of miner fatalities in two areas. According to MSHA’s data, powered haulage and machinery accidents are the leading causes of miner fatalities (see Figure 1). Together, they accounted for more than half of all mine fatalities during 2022 through 2023.

Figure 1: Number and Percentage of Top 8 Classes of Mining Fatalities, Calendar Years 2018–2023



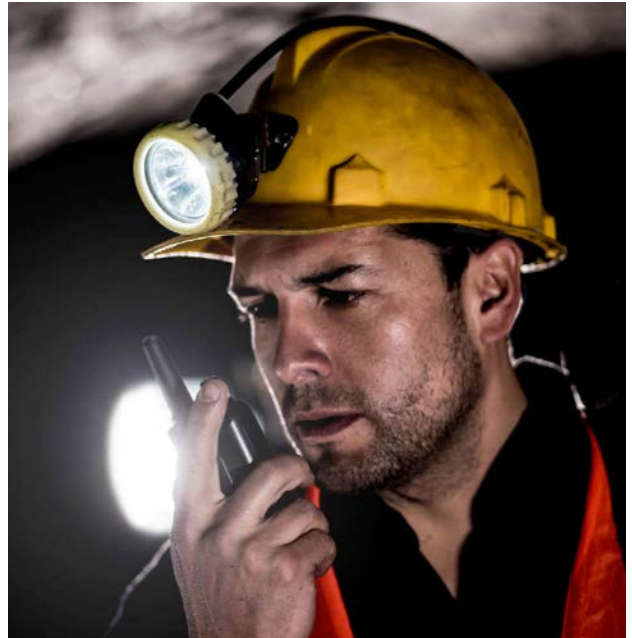
Source: MSHA’s Accident Injuries public dataset, as of March 8, 2024

²⁸ MSHA Can Improve How Violations Are Issued, Terminated, Modified, and Vacated, Report No. 05-21-002-06-001 (March 31, 2021), available at: <https://www.oig.dol.gov/public/reports/oa/2021/05-21-002-06-001.pdf>

²⁹ MSHA Can Improve Its Pre-Assessment Conferencing Program, Report No. 05-19-001-06-001 (September 23, 2019), available at: <https://www.oig.dol.gov/public/reports/oa/2019/05-19-001-06-001.pdf>

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On January 19, 2024, MSHA's final rule for the Safety Program for Surface Mobile Equipment became effective. The rule requires mine operators to develop, implement, and update written safety programs describing the actions it will take to identify hazards and risks to reduce accidents, injuries, and fatalities related to surface mobile equipment. This final rule is a positive mitigating step in conjunction with the performance of other prevention outreach. However, we remain concerned with the high number of powered haulage and machinery fatalities until the data shows a consistent decline in these incidents.



MSHA published a final rule on April 18, 2024, lowering the permissible exposure limit for respirable crystalline silica for all miners. This rule also includes other requirements to protect miner health, such as exposure sampling, corrective actions to be taken when a miner's exposure exceeds the permissible exposure limit, and medical surveillance for metal and nonmetal mines. While this rule should help reduce occupational disease in miners and improve respiratory protection against airborne contaminants, the frequency of sampling performed by inspectors must be sufficient to address higher risk levels at mines.

In our November 2020 audit report³⁰, we noted that MSHA generally performed sampling during its mandatory inspections conducted quarterly for underground coal mines and semiannually for surface mines. Because silica levels can fluctuate, we have concerns regarding whether this frequency is enough to ensure the safety of miners at high-risk mines. Therefore, we recommended MSHA enhance its sampling program to increase the frequency of inspector samples where needed, such as through implementation of a risk-based approach. While MSHA agreed to study this recommendation and determine the necessity of increasing the frequency of inspector sampling by November 2021, it has yet to provide the results of that study or any corrective actions.

Protecting the Security of Employee Benefit Plan Assets

The OIG remains concerned about the Employee Benefits Security Administration's (EBSA) ability to protect the integrity of pension, health, and other benefit plans of more than 153 million workers,

³⁰ MSHA Needs to Improve Efforts to Protect Coal Miners from Respirable Crystalline Silica, Report No. 05-21-001-06-001 (November 12, 2020), available at: <https://www.oig.dol.gov/public/reports/oa/2021/05-21-001-06-001.pdf>

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retirees, and their families under the Employee Retirement Income Security Act of 1974 (ERISA). In particular, the OIG is concerned about the statutory limitations on EBSA's oversight authority and inadequate resources to conduct compliance and enforcement.

A decades-long challenge to EBSA's compliance program, ERISA provisions allow billions of dollars in pension assets to escape full audit scrutiny. The Act generally requires every employee benefit plan with more than 100 participants to obtain an audit of the plan's financial statements each year. However, an exemption in the law allowed auditors to perform "limited-scope audits." These audits excluded pension plan assets already certified by certain banks or insurance carriers and provided little to no confirmation regarding the actual existence or value of the assets.

A decades-long challenge to EBSA's compliance program, ERISA provisions allow billions of dollars in pension assets to escape full audit scrutiny.

In 2013 and 2014, we reported that as much as \$3 trillion in pension assets—including an estimated \$800 billion in hard-to-value alternative investments held in otherwise regulated entities such as banks—received limited-scope audits that provided weak assurance to participants regarding the financial health of their plans. In 2019, the American Institute of Certified Public Accountants updated its accounting standards related to these types of audits. The new standards replaced limited-scope audits with audits from ERISA Section 103(a)(3)(C) and imposed new performance requirements on plan management and auditors. In FY 2024, we plan to follow up on our previous work on EBSA's oversight of limited-scope audits.

Further, EBSA lacks the authority under the Federal Employees' Retirement System Act to effectively oversee hundreds of billions of dollars in federal employee Thrift Savings Plan (TSP) assets.³¹ The Federal Employees' Retirement System Act requires EBSA to conduct regular compliance audits to determine whether the Federal Retirement Thrift Investment Board, an independent agency, is fulfilling its fiduciary duties and properly safeguarding TSP participants' assets. However, EBSA has limited legal authority to compel the Federal Retirement Thrift Investment Board to implement its recommendations, which includes enforcing its recommendations to improve the TSP's cybersecurity posture. As a significant portion of the TSP's infrastructure was recently transferred to an outside third-party vendor, we are concerned about the threat cybersecurity breaches pose to the TSP. More generally, identifying and mitigating cyber threats requires a high degree of technical expertise. Cyber threats potentially place at risk trillions of dollars in other ERISA-covered retirement plan assets.

Regarding resource constraints, EBSA needs to focus its limited available resources on investigations that are most likely to result in the prevention, detection, and correction of ERISA

³¹ The total value of TSP assets fluctuates over time and is affected by market volatility.

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violations. This is particularly important given the number of benefit plans EBSA oversees relative to the number of investigators it employs.

Maintaining the Integrity of Foreign Labor Certification Programs

The DOL foreign labor certification (FLC) programs are intended to permit U.S. employers to hire foreign workers to meet their workforce needs while protecting U.S. workers' jobs, wages, and working conditions. DOL's administration of FLC programs under current laws has been a concern for the OIG for decades. Our work has shown these visa programs—in particular the H-1B program for workers in specialty occupations—to be susceptible to significant fraud and abuse from perpetrators, including immigration agents, attorneys, labor brokers, employers, and organized criminal enterprises. Over the last decade, the OIG, along with federal partners, has conducted approximately 160 criminal investigations related to fraud in FLC programs. Of particular concern, OIG investigations have uncovered criminal misuse of FLC programs to engage in human trafficking—with victims being exploited for economic gain.

As we have reported since 2003,³² DOL continues to have limited authority over the H-1B program and permanent employment certification program (PERM), which challenges the goal of protecting the welfare of the nation's workforce. The statute limits DOL's ability to deny H-1B applications and to investigate potential violations. Specifically, DOL may only deny incomplete and obviously inaccurate H-1B applications and has only limited authority to conduct H-1B investigations in the absence of a complaint. Without statutory authority, the Department generally cannot verify employers' attestations to the H-1B certifications unless a complaint is filed or the Department utilizes a Secretary-initiated investigation.

As foreign workers are generally reluctant to file complaints for fear of retaliation and losing their jobs, the Department's process is unlikely to result in verification action being taken. The PERM program itself is persistently vulnerable to employers not complying with its qualifying criteria. Therefore, both the PERM and H-1B programs remain prone to fraud. With various new DOL rules going into effect since 2003, including implementing employer self-attestation programs, there have been opportunities for the PERM, H-2A, and H-2B visa programs to change. However, DOL has identified instances in which employers are not complying with the conditions of employment, thereby reinforcing how susceptible these programs are to fraud.

³² Overview and Assessment of Vulnerabilities in the Department of Labor's Alien Labor Certification Programs, Report No. 06-03-007-03-321 (September 30, 2003), available at: <https://www.oig.dol.gov/public/reports/oa/2003/06-03-007-03-321.pdf>; and Overview of Vulnerabilities and Challenges in Foreign Labor Certification Programs, Report No. 06-21-001-03-321 (November 13, 2020), available at: <https://www.oig.dol.gov/public/reports/oa/2021/06-21-001-03-321.pdf>

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FLC vulnerabilities have also been exploited to facilitate labor trafficking, a type of human trafficking. For example, in an ongoing OIG investigation³³, 15 individuals have pled guilty and 8 individuals have been sentenced to date as part of a federal racketeering conspiracy, which victimized Mexican agricultural workers admitted to the United States under the H-2A temporary visa program. The investigation revealed the conspirators committed multiple offenses, including subjecting H-2A workers to forced labor, harboring and concealing workers, visa fraud, and fraud in foreign labor contracting. The conspirators used coercive means to obtain thousands of hours of physically demanding agricultural labor from the victimized H-2A workers, all for lesser pay. The coercive means used included confiscating the workers' passports; subjecting the workers to crowded, unsanitary, and degrading living conditions; isolating the workers and limiting their ability to interact with anyone other than employees; and subjecting workers to debt manipulation.

In some instances, employers commit FLC fraud to engage in forced labor or labor trafficking. Engaging in the FLC process allows prospective employers to recruit skilled, motivated, and legally well-intentioned workers, and also entice them to the jobsite. This saves the employer from paying costly human smuggling expenses and limits liability associated with smuggling or the harboring of undocumented workforces. Once the workers are onsite, the employer can



33 DOJ, U.S. Attorney's Office, Southern District of Georgia, "Human Smuggling, Forced Labor Among Allegations in South Georgia Federal Indictment," press release (November 22, 2021), available at: <https://www.justice.gov/usao-sdga/pr/human-smuggling-forced-labor-among-allegations-south-georgia-federal-indictment>; and DOJ, U.S. Attorney's Office, Southern District of Georgia, "Three Men Sentenced to Federal Prison on Charges Related to Human Trafficking," press release (March 31, 2022), available at: <https://www.justice.gov/usao-sdga/pr/three-men-sentenced-federal-prison-charges-related-human-trafficking>

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control/compel labor and services by: holding their travel documents; threatening to revoke their visas and “blacklisting” them in the future; controlling how much money they possess; and limiting their access to adequate food, housing, or outside contact. Often, the goal is to use the exploited work force to increase employer wealth. These case examples illustrate how criminals exploit weaknesses in the FLC programs to commit even more serious crimes, such as forced labor and labor trafficking. Therefore, it is crucial that the Department do all it can to ensure the integrity of these programs.

Improving the Performance Accountability of Workforce Development Programs

The OIG has concerns about the Department’s ability to ensure its investments in workforce development programs are successful in enhancing participants’ skills and placing them in meaningful and appropriate employment. The pandemic’s impact on the workforce highlighted the importance of these programs in assisting job seekers and employers in finding and filling available jobs and assisting workers in developing the right skills to fill new job openings. The Department’s ability to obtain accurate and reliable data to measure, assess, and make decisions regarding the performance of grant recipients, contractors, and states in meeting the programs’ goals is critical.

Our audit report from September 2020 found that, although ETA had data to determine whether or not participants were employed after exiting grant-funded training programs, ETA lacked data to measure the impact credentials had on participants’ outcomes and did not ensure participants’ data was accurate, valid, and reliable. Similarly, in a 2018 audit, we found that Job Corps was unable to demonstrate the extent to which its training programs helped participants obtain meaningful jobs appropriate to their training within 5 years of completing the program.

As expressed in a March 2022 advisory report, the OIG continues to be concerned about three areas in particular where our body of work has identified weaknesses: (1) awarding grants, (2) reviewing grant recipients’ use of funds, and (3) measuring grant recipient performance. While ETA took action to address many prior years’ findings and recommendations related to eligibility, effectiveness, and compliance and monitoring, it must also proactively monitor key areas and continue to assess for these weaknesses to ensure they do not reoccur.

In September 2023, we reported³⁴ ETA needs to improve its oversight of grant recipients and sub-recipients³⁵ in the State of New Jersey to ensure that grant funds serve their intended

34 COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey, Report No. 19-23-016-03-391 (September 28, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/19-23-016-03-391.pdf>

35 A sub-recipient is a non-federal entity that receives a sub-award from a pass-through entity to carry out part of a federal program. It does not include an individual who is a beneficiary of the program.

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purposes. We found ETA did not ensure recipients effectively: (1) used over \$100 million to serve the intended population; (2) enrolled eligible individuals in the grant programs, costing \$96,580 in training services; and (3) complied with federal requirements when paying \$168,460 in services. We also questioned \$6.9 million in grant funding because the sub-recipients could not show how these funds were used.

The OIG is also concerned about the Department's ability to ensure its investments into Registered Apprenticeships develop new pathways to good-quality jobs. DOL received an estimated \$285 million for FY 2024 and requested \$335 million for the Registered Apprenticeship Program in FY 2025. However, a September 2021 audit of the American Apprenticeship Initiative Grant Program—which aimed in part to expand Registered Apprenticeships—found systemic weaknesses in the execution of the grants, as well as in the planning and awarding processes. The OIG continues to be concerned that challenges exist within the Registered Apprenticeship Program.

Ensuring the Safety of Students and Staff at Job Corps Centers

Ensuring the safety and health of students and staff at Job Corps centers—which are mostly residential, with students living on-campus—continues to be a concern due to ongoing issues with on-campus violence. In Program Year 2022, Job Corps centers reported almost 1,300 on-campus assaults. Preventing on-campus violence and other potentially criminal behavior remains a challenge for Job Corps centers.

The use of fentanyl, a synthetic opioid that has rapidly become the leading cause of overdose death in the United States since 2016, is also an emerging concern within the Job Corps program. In May 2023, Job Corps reported that 6 of 11 student deaths in Program Year 2022 to date were suspected unintentional drug overdoses, with 2 occurring on campus. Job Corps also reported 64 positive drug tests for fentanyl during the first 9 months of Program Year 2022, up significantly from 4 years earlier when there were only 11 positive drug tests for fentanyl despite a higher student population. Our analysis of Job Corps data for Program Year 2022 also identified 5 students and 1 staff who were administered Narcan³⁶ after being found unresponsive and who subsequently recovered from a suspected drug overdose. In addition, we identified 6 students who were caught in possession of fentanyl.

A March 2021 OIG audit report showed Job Corps centers lacked the appropriate tools and resources to properly evaluate and mitigate issues related to substance abuse and mental health. In that audit, we found that center personnel frequently attributed student and staff safety concerns to mental health or substance abuse, or both.

³⁶ Narcan (generic Naloxone) is a lifesaving emergency treatment that can reverse the effects of an opioid overdose if administered quickly.

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OIG audits from 2015 and 2017 found that some Job Corps centers failed to report and investigate serious misconduct, such as drug abuse and assaults. The audits also determined that some Job Corps centers downgraded incidents of violence to lesser infractions, creating an unsafe environment for students and staff. The follow-up work we completed in December 2017 and our review of Job Corps' corrective actions showed Job Corps has taken steps to improve center safety and security by establishing stronger internal controls and security measures, including the installation of security cameras, perimeter fencing, and better lighting at centers. However, concerns continue.

Job Corps' participants can range in age from 16 to 27 years old.³⁷ The significant age range poses a number of challenges. Given the occurrence of sexual assaults and harassment on center campuses, there is an inherent risk with having adults cohabitate with minors. The OIG will soon resume an audit focused on whether Job Corps ensured the safety of and mitigated program disruptions involving its minor students. The OIG also continues to monitor various safety initiatives and actions taken by Job Corps to keep students and staff safe.

The OIG also continues to monitor various safety initiatives and actions taken by Job Corps to keep students and staff safe.

Managing Medical Benefits in the Office of Workers' Compensation Programs

The OIG has concerns about the Office of Workers' Compensation Programs' (OWCP) ability to effectively manage the use and cost of pharmaceuticals in the Federal Employees' Compensation Act (FECA) program and about rising home health care costs in the Energy Employees Occupational Illness Compensation Program Act (Energy) program. The Department needs to ensure the medical benefits it provides to FECA claimants and energy workers are safe, effective, medically necessary, and economical.

Our audit work in the FECA program continues to identify concerns with OWCP's management of pharmaceuticals. In March 2023,³⁸ we reported OWCP did not effectively manage pharmaceutical spending in the FECA program from FY 2015 through FY 2020. Specifically, OWCP did not pay the best available prices for prescription drugs resulting in up to \$321 million in excess spending during the audit period. OWCP also did not effectively monitor pharmaceutical policy changes to ensure implementation, which resulted in claimants receiving thousands of inappropriate prescriptions and potentially lethal drugs, including 1,330 prescriptions for fast-acting fentanyl after issuing a policy that restricted its use. We also found OWCP failed to timely identify and address emerging issues

³⁷ Individuals aged 16 through 24 years are eligible to enroll in Job Corps and, once enrolled, can be in training for up to 3 years before finishing the program.

³⁸ OWCP Did Not Ensure Best Prices and Allowed Inappropriate, Potentially Lethal Prescriptions in the FECA Program, Report No. 03-23-001-04-431 (March 31, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/03-23-001-04-431.pdf>

Significant Concerns

and did not perform sufficient oversight of prescription drugs that are highly scrutinized and rarely covered in workers' compensation programs.

To strengthen its management of FECA's pharmaceutical program, OWCP needs to implement processes that ensure competitive prices for prescription drugs (see Figure 2), improve its monitoring of pharmaceutical policy changes, and proactively identify emerging issues before they become critical problems.

Figure 2: Tools to Ensure Competitive Prices for Prescription Drugs



Source: OIG graphic representation of Harper, Rains, Knight & Company, P.A. analysis

In March 2021, consistent with our prior audit recommendations, OWCP implemented a pharmacy benefit manager³⁹ responsible for FECA pharmaceutical transactions, including pricing for prescription drugs. In addition, OWCP is in the process of expanding pharmacy benefit manager coverage to the Energy and Black Lung Benefits programs. While using a pharmacy benefit manager may improve OWCP's management of pharmaceuticals, it does not relieve OWCP from its management responsibilities. OWCP needs to provide adequate oversight over the pharmacy benefit manager to ensure the pharmaceutical benefits it provides are safe, effective, medically

³⁹ Pharmacy benefit managers are third-party administrators of prescription drug programs, primarily responsible for: developing and maintaining formularies, which include an approved listing of prescriptions; negotiating discounts and rebates with drug manufacturers; and processing and paying prescription drug claims.

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necessary, and economical. We plan to conduct follow-up work focusing on how effectively OWCP's pharmacy benefit manager reduced opioid-related risks, pharmaceutical costs, and fraud.

In the Energy program, with an aging claimant population and an increased demand for home health care services, there is a risk of providers exploiting these benefits through unethical practices. Since 2010, home and residential health care costs paid by the Energy program have grown from almost \$100 million to more than \$860 million, representing approximately 82 percent of total medical benefits paid by the program in FY 2022. OWCP needs to continue its efforts to analyze home health care billing for abusive practices and to identify and refer allegations involving potential fraud or abuse to the OIG for further investigation.

Ensuring the Solvency of the Black Lung Disability Trust Fund

Miners and their dependent survivors receive lifetime benefits when awarded under the Black Lung Benefits Act. Mine operators pay these benefits when possible, and the Black Lung Disability Trust Fund (Trust Fund) pays the benefits when a miner's former employer does not or cannot assume liability. The OIG's primary concern is that the current annual income of the Trust Fund (primarily from an excise tax on domestic sales of coal) is not sufficient to cover annual benefit obligations to meet administrative costs and to service past debt.

The Trust Fund expenditures have consistently exceeded revenue, and the Trust Fund has essentially borrowed with interest from Treasury's general fund almost every year since 1979. According to DOL's FY 2023 Agency Financial Report, the Trust Fund had to borrow approximately \$2.73 billion to cover its expenditures, which included debt and interest payments. As of September 30, 2023, the Trust Fund was carrying close to a \$6.36 billion deficit balance, which is projected to grow to \$12.64 billion (in constant dollars) by September 30, 2048.

The excise tax that funds the Trust Fund is levied on domestic sales of coal mined in the United States. On August 16, 2022, the Inflation Reduction Act of 2022 made permanent the temporary increased excise tax rates of \$1.10 per ton of underground mined coal and \$0.55 per ton of surface-mined coal, with a cap of 4.4 percent of the sales price. However, we remain concerned the permanent tax increases are still not sufficient to ensure solvency of the Trust Fund.

Managing and Securing Data and Information Systems

We remain concerned about the Department's ability to manage and secure its data and information systems. The Department and its program agencies depend on reliable and secure IT systems to perform their mission critical functions. In carrying out their missions, the agencies obtain and create vast amounts of information and data. Included in these data are the PII and personal health information of the public, including federal employees. The Department moved to an IT shared

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services model that centralized IT for approximately 70 percent of its information systems under the Office of the Assistant Secretary for Administration and Management. While we have seen some improvements in the Department's IT management, we continue to have concerns with its governance structure and information security program.

Fundamentally, we continue to be concerned that DOL has not fully empowered the Chief Information Officer (CIO) position to ensure the Department's IT governance is effectively implemented. Specifically, the CIO's authority is limited by both structural design and lack of representation in enterprise level discussions. DOL's CIO reports to the Assistant Secretary for Administration and Management—not the Secretary or Deputy Secretary as required by law—and does not have sufficient authority or representation on key senior level management boards.

In addition, we continue to have concerns with the Department's information security program in the following areas:

- cybersecurity oversight,
- supply chain,
- cloud/third-party,
- end user/remote security, and
- emerging technology and security requirements, such as Artificial Intelligence and zero trust architecture.

Securing the Department's information systems remains a concern as we continue to identify recurring deficiencies in the Department's efforts to manage and implement security controls throughout its information security program.⁴⁰ While the Department has moved information systems to its IT shared services model to improve management and security of the systems, the Department has not adequately implemented information security controls and technology tools required to manage and monitor IT security. Further, we are still concerned that the remaining systems that are not part of the IT shared services environment are not receiving the governance and oversight required to sufficiently secure all of DOL's data and information systems.

These areas represent ongoing risks to the confidentiality, integrity, and availability of DOL's information systems, which are necessary to support the Department's mission. DOL needs to implement the necessary strategies and tools to provide effective management and security for its data and information systems.

⁴⁰ Under the Federal Information Security Modernization Act of 2014, the OIG is required to perform annual independent evaluations of the Department's information security program and practices. These annual reports have consistently identified such deficiencies. For the most recent, see: FY 2023 FISMA DOL Information Security Report: Making Improvements Toward an Effective Program, Report No. 23-24-001-07-725 (December 06, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2024/23-24-001-07-725.pdf>.

Worker and Retiree Benefit Programs



Unemployment Insurance Programs

Office of Workers' Compensation Programs

Unemployment Insurance Programs

Enacted more than 80 years ago as a federal-state partnership, the unemployment insurance program is the Department's largest income-maintenance program. This multi-billion-dollar program provides unemployment benefits to eligible workers who become unemployed through no fault of their own. The program is generally administered by states with oversight from DOL's Employment and Training Administration (ETA).

A Review of Pandemic Unemployment Insurance Relief and Its Impact on Six Different U.S. Communities

The Pandemic Response Accountability Committee (PRAC) led a two-phased review to identify the federal funds distributed to local communities⁴¹ across the United States in response to the COVID-19 pandemic as of September 30, 2021, and to determine if the spending aligned with program goals. In support of this review, the OIG conducted an evaluation of DOL's UI response to the COVID-19 pandemic.

We specifically evaluated the DOL programs that expanded UI benefits for workers impacted by the pandemic and assessed the recipients' experiences. From March 27, 2020, to September 6, 2021, we identified over 33,400 UI beneficiaries across the six communities. Collectively, they received over \$516 million from the following three key CARES Act UI programs: PUA, Federal Pandemic Unemployment Compensation (FPUC), and Pandemic Emergency Unemployment Compensation (PEUC).

To assess benefit recipients' experiences with the CARES Act UI programs, OIG investigators traveled to the six communities and surveyed a sample of claimants. We found satisfaction with the CARES Act UI programs was high, claimants also generally felt the pandemic programs had a positive impact on their ability to meet their needs, were sufficient to pay for basic necessities, and were fair and reasonable.

However, we found claimants did experience challenges accessing regional UI offices for questions and assistance. They also encountered various difficulties throughout the process, including claim denials, issues with the certification process, completing the application, and confusion regarding program eligibility and weekly certifications.

⁴¹ The PRAC selected six locations for review across three types of geographic areas (two small-to-medium sized cities, two rural counties, and two tribal areas). The following six locations were selected: Springfield, Massachusetts; Coeur d'Alene, Idaho; Marion County, Georgia; Sheridan County, Nebraska; White Earth Reservation in Minnesota; and Jicarilla Apache Reservation in New Mexico.

Worker and Retiree Benefit Programs

In addition, at the time we conducted the surveys, some claimants reported they still experienced difficulty in the labor market, with 21 percent of claimants reporting they were not currently working for pay, and 37 percent reporting they were unable to find employment before benefits ran out.

With the passage of the CARES Act and subsequent pandemic legislation, pandemic-related UI programs became a target for fraud. During our review of the benefits paid in the six communities and our analyses of fraud indicators, we identified 7.6 percent of the claims submitted to the OIG for the six communities as potentially fraudulent, totaling approximately \$46.4 million.⁴²

We identified 7.6 percent of the claims submitted to the OIG for the six communities as potentially fraudulent, totaling approximately \$46.4 million.

For more information, go <https://www.oig.dol.gov/public/reports/oa/2024/19-24-002-03-315.pdf>, Report No. 19-24-002-03-315 (March 28, 2024).

Washington Woman Sentenced to 5 Years in Prison for CARES Act Fraud

On March 5, 2024, Paradise Williams was sentenced to 5 years in prison and ordered to pay more than \$2 million in restitution for orchestrating a wide-ranging fraud scheme which involved the theft of more than \$3.3 million from federally funded pandemic assistance programs.

From June 2020 to February 2022, Williams personally submitted more than 125 fraudulent applications for CARES Act unemployment benefits, U.S. Department of Treasury Emergency Rental Assistance Program (ERAP) funds, SBA's PPP loans, and SBA EIDL. She enlisted more than 50 associates, including her five co-defendants, to obtain more than \$3.3 million by posing as fake tenants, landlords, and small business owners in need of assistance. In submitting these applications to federally funded pandemic assistance programs, Williams, among other actions, created falsified bank statements, tenant ledgers, and landlord attestations.

Upon receipt of the fraudulently obtained funds, Williams and her associates methodically laundered the funds through cash withdrawals, wire transfers, and expensive luxury purchases. She personally received more than \$2 million in fraudulent proceeds and spent the money on luxury cars, lavish trips, cosmetic surgery, jewelry, and designer goods. In addition to fraudulently obtaining over \$700,000 directly from her submission of ERAP applications, Williams also received more than \$1.2 million in kickback payments that she demanded from her associates for facilitating the various fraudulent schemes.

⁴² Prior to the release of this report, the potentially fraudulent claims were referred to the OIG's Office of Investigations to assess and determine if the claims warrant investigation. If the claims did not warrant investigation, we referred the claims to the appropriate SWA.

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Overall, the fraud ring sought to steal more than \$6.8 million in pandemic benefits from nearly every major pandemic assistance program

This is a joint investigation with the FBI and the SBA-OIG. *United States v. Williams et al.* (W.D. Washington)

California Defendants Sentenced to 86 Months in Prison and Ordered to Pay in Excess of \$2 Million in Unemployment Insurance Fraud Scheme

On October 16, 2023, Robert Campbell Jr. was sentenced to 68 months in federal prison and ordered to pay more than \$2.1 million in restitution for orchestrating a pandemic-related UI scheme. Simone Gueringer, a co-conspirator, was sentenced on October 2, 2023, to 18 months in prison and ordered to pay approximately \$204,000 in restitution.

From March 2020 to July 2021, Campbell, Gueringer, and other co-conspirators used the PII of others to include names, dates of birth, and Social Security numbers in an effort to file fraudulent UI applications with the California Employment Development Department (EDD), which receives federal funding and administers the state's UI program.

Many of the fraudulent claims were made on behalf of ineligible out-of-state claimants and on behalf of people ineligible for benefits because they were in prison.

The fraudulent applications falsely stated the claimants had prior annual incomes of \$42,000 and were self-employed individuals whose jobs were adversely impacted when salons and barbershops closed during the COVID-19 pandemic. The applications listed mailing addresses with locations chosen and controlled by Campbell, Gueringer and their co-conspirators. Once the applications were approved, debit cards were mailed to those addresses.

In total, Campbell, Gueringer, and others caused 174 fraudulent applications to be filed with EDD, 125 of which were paid, resulting in total losses of more than \$2.1 million.

This is a joint investigation with Homeland Security Investigations (HSI), the United States Secret Service, the United States Postal Inspection Service (USPIS), the California Department of Corrections and Rehabilitation's Special Services Unit, and the California EDD. *United States v. Campbell Jr. et al.* (C.D. California)

Detroit Men Sentenced in Pandemic Unemployment Insurance Fraud and Drug Distribution Scheme

On January 24, 2024, Robert Lampkin was sentenced to 180 months in prison and ordered to pay

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more than \$2.1 million in restitution, joint and several with his co-conspirator, for his role in an UI and drug distribution scheme.

On January 16, 2024, Brenden Lockridge was sentenced to 72 months in prison and ordered to pay more than \$2.1 million in restitution, joint and several with a co-conspirator, for his role in a UI fraud and drug distribution scheme.

From March 2020 and continuing through April 2021, Lockridge and Lampkin engaged in a conspiracy to file fraudulent UI claims in several states. Using stolen PII from various victims, Lockridge and Lampkin filed fraudulent UI claims and received benefits to which they were not entitled. At least \$2.1 million of UI benefits were fraudulently received by both individuals involved in the scheme.

In April 2021, in a separate scheme, Lockridge and Lampkin possessed with intent to distribute more than 50 grams of methamphetamine.

This is a joint investigation with the Drug Enforcement Agency (DEA). *United States v. Lampkin et al.* (E.D. Michigan)

Maryland Man Sentenced to 41 Months in Prison for Fraudulently Obtaining More Than \$2 Million in COVID-19 Pandemic Relief Funds

On December 14, 2023, Mohamed Kamara was sentenced to 41 months in prison and ordered to pay restitution of more than \$2 million for his role in defrauding multiple SWAs and the SBA of federal pandemic relief programs, including the UI program and SBA's EIDL program.

Between January and September 2020, Kamara submitted numerous fraudulent applications to New Jersey and six other states for UI benefits by using the identities and PII of individuals and entities without their knowledge or consent. As a result, the SWAs deposited more than \$1 million in fraudulently obtained UI benefits into a bank account he controlled.

Kamara also submitted fraudulent EIDL applications to the SBA by using the identities of individuals and entities without their knowledge and consent. Kamara caused the SBA to approve the fraudulent applications and sent the proceeds to fraudulent bank accounts he opened. Once the proceeds were received, he deposited or attempted to deposit checks from the fraudulent accounts into accounts in his name. In total, Kamara and his co-conspirators caused the SBA to provide more than \$750,000 in fraudulent EIDLs.

This is a joint investigation with the FBI. *United States v. Mohamed Kamara* (D. New Jersey)

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Michigan State Employee Sentenced in Unemployment Insurance Fraud Scheme

On February 6, 2024, Antonia Brown, a former State of Michigan Unemployment Insurance Agency (MUIA) employee, was sentenced to 21 months in prison for her role in an UI fraud scheme. She was also sentenced to 36 months of supervised release following her prison sentence and was ordered to pay more than \$549,200 in restitution for her involvement in a multimillion-dollar scheme to defraud the federal government and the State of Michigan. Brown is the first of three individuals sentenced in this case.

Beginning in May 2020 and continuing through at least September 2021, Brown and her co-conspirators, Angela Johnson and Kiannia Mitchell, collectively conspired to defraud the federal government and State of Michigan through the facilitation of numerous UI claims. Brown took actions on numerous fraudulent claims that were accessed and/or filed by Johnson and Mitchell, which resulted in unauthorized payments of those claims. The investigation found that Brown received financial kickbacks for those actions from Johnson and Mitchell as well as from some of the claimants themselves. Evidence obtained during the course of the investigation revealed that Brown tried to conceal those payments as jewelry payments to her side business. The investigation also showed that the scheme involved approximately 123 UI claims totaling more than \$3 million dollars in benefits paid, \$1.6 million of which was paid after Brown's unauthorized actions. Per a plea agreement between Brown and the U.S. Attorney's Office, Brown was held accountable for more than \$549,250 in unauthorized and fraudulent UI payments.

This was a joint investigation with the U.S. Department of Homeland Security-Office of Inspector General (DHS-OIG), the FBI, and the MUIA. *United States v. Antonia Brown et al.* (E.D. Michigan)

Several Maryland Residents Convicted and Sentenced in \$1.5 Million Pandemic Unemployment Insurance Fraud Scheme

Between November 2023 and March 2024, five defendants pled guilty and several defendants were sentenced for their roles in a pandemic-related UI fraud scheme that defrauded multiple SWAs out of more than \$1.5 million in COVID-19 UI benefits through the submission of fraudulent claims.

During this period, the following actions occurred:

- Michael Akame Ngwese Ay Makoge, aka “Hype” and “2Hype,” pled guilty on November 14, 2023, to conspiracy to commit wire fraud and aggravated identity theft for his involvement in the fraud scheme. Makoge was sentenced on February 29, 2024, to 53 months in federal prison and ordered to pay more than \$2 million in restitution, jointly and severally with his co-conspirators, to affected SWAs and individually forfeit more than \$297,000 in fraudulent proceeds.

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- Dementrous Von Smith, aka “Meecho” and “El Meecho,” was sentenced on December 14, 2023, to 53 months in federal prison and ordered to pay more than \$2 million in restitution, jointly and severally with his co-conspirators, to affected SWAs and individually forfeit more than \$345,000 in fraudulent proceeds.
- Christopher Yancy, aka “Lil Bhri” and “Lil Chris,” and Stephawn Watson, aka “O-Dawg,” both pled guilty on January 4, 2024, to conspiracy to commit wire fraud, wire fraud, aggravated identity theft, as well as illegal possession of machine guns and illegal receipt of a firearm by a person under indictment, respectively, for their involvement in the criminal activity.
- Christian Malik Adrea, aka “Leak” and “Lil Leak,” pled guilty on February 2, 2024, to conspiracy to commit wire fraud, wire fraud, and aggravated identity theft for his role in the fraud scheme.
- Nadine Mahoro Mwamikazi pled guilty on March 5, 2024, to conspiracy to commit wire fraud for her role in the fraud scheme.

From March 2020 to October 2021, Makoge and his co-conspirators impersonated victims to submit fraudulent UI claims to the SWAs in Maryland and California. As part of the scheme, Makoge and his co-conspirators obtained the PII of numerous victims, which they then used to prepare and submit fraudulent applications for UI benefits. The fraudulent applications caused financial institutions to load UI benefits onto debit cards and mail the cards to physical addresses, which were provided and monitored by Makoge and the co-conspirators.

The investigation further revealed numerous text messages between Makoge and his co-conspirators exchanging the PII of victims and discussing the execution of the UI fraud scheme. Further, Makoge and his co-conspirators made numerous ATM withdrawals using the fraudulently obtained debit cards.



OIG agents and our law enforcement partners recovered, among other items, more than \$9,000 in cash during the execution of a UI fraud search warrant.

This is a joint investigation with the USPIS, HSI, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Maryland State Police, and the Anne Arundel County (Maryland) Police Department. *United States v. Michael Akame Ngwese Ay Makoge et al.* (D. Maryland)

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Two Nigerian Nationals Sentenced for Stealing Unemployment Insurance Benefits

On October 10, 2023, Nigerian nationals Quazeem Owolabi Adeyinka and Ayodeji Jonathan Sangode were sentenced to 26 months and 14 months in prison, respectively, for their roles in a UI fraud conspiracy.

Between June 2020 and July 2021, Adeyinka, Sangode, and others participated in a conspiracy to submit fraudulent UI and PUA claims to the State of California. More than 200 individual applications were filed with the California EDD indicating that the claimants' address was a Maryland apartment that the co-defendants shared.

During the scheme, the conspirators obtained the PII of persons who were ineligible for UI or PUA benefits or who did not authorize the conspirators to act on their behalf with respect to applying for such benefits. The PII included names, dates of birth, and Social Security numbers. The conspirators used the PII to submit dozens of fraudulent UI and PUA claims to EDD under the claimants' identities without the claimants' authorization.

Adeyinka was personally involved in approximately \$793,000 in attempted losses while Sangode was linked to approximately \$752,000 in attempted losses.

This is a joint investigation with the DHS-OIG, the FBI, and the California EDD. *United States v. Adeyinka et al.* (E.D. California)

Three Florida Individuals Sentenced for Conspiracy to Commit Bank Fraud, Wire Fraud, and Mail Fraud

In January and February 2024, Franklin Brown, Malik Wright, and Samuel Bush III were sentenced after they pled guilty for their roles in defrauding the SWAs of California and Massachusetts through a PUA fraud scheme with losses totaling more than \$1.1 million. Wright was sentenced to 41 months in prison, while Brown and Bush were sentenced to 33 months in prison. In addition, they were ordered to pay joint restitution of more than \$643,000, with Bush ordered to pay \$6,000 individually.

As part of the conspiracy, the three defendants submitted false and fraudulent applications to the SWAs causing them to issue UI benefit payments in the form of pre-paid debit cards. The cards were then mailed to a Florida address belonging to Brown. Bush III then made telephone calls to financial institutions pretending to be the real cardholders in order to activate the fraudulently obtained debit cards. Bush III subsequently used the proceeds to purchase goods and services for his own benefit while Wright and Brown used the fraudulently obtained pre-paid debit cards to make multiple cash withdrawals at ATMs in South Florida.

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Over the course of the conspiracy, the SWAs approved at least 92 fraudulent UI claims resulting in the disbursement of more than \$1.1 million.

This investigation is being worked jointly as part of the Miami COVID-19 Strike Force with the DHS-OIG, the FBI, and the USPIA. *United States v. Travis Wright et al.* (S.D. Florida)

Nevada Man Sentenced to Nearly 5 Years in Prison for Unemployment Insurance Fraud

On December 12, 2023, Terence Aubrey Larker was sentenced to 4 years and 10 months in prison for mail fraud and aggravated identity theft for his role in a scheme to defraud the UI program during the COVID-19 pandemic.

Beginning in April 2020 and continuing through at least October 2020, Larker perpetrated a mail fraud and identity theft scheme that targeted the UI program administered by the California's EDD. Under the CARES Act, the EDD was responsible for administering UI benefits for qualifying residents who were unemployed due to the COVID-19 pandemic. Larker obtained the PII of more than 80 individuals and filed fraudulent UI claims in their names. EDD approved many of these applications and mailed benefits in the form of pre-paid debit cards to addresses under Larker's control, including at least 24 debit cards to his home address. Once received in the mail, Larker activated the cards and spent the benefits on himself, often appearing in ATM surveillance footage while withdrawing large amounts of cash from these cards. In total, Larker's conduct resulted in the EDD and U.S. government paying out more than \$1.1 million in fraudulent claims.

This was a joint investigation with the FBI, the California EDD, and the DHS-OIG. *United States v. Terence Aubrey Larker* (E.D. California)

Michigan Woman Sentenced in Unemployment Insurance Fraud Scheme

On December 1, 2023, Francisca Juarez was sentenced to 63 months in prison and ordered to pay more than \$1 million in restitution, joint and several with her co-conspirators, for her role in an UI fraud scheme. Juarez is the last of three individuals sentenced in this case.

Between 2020 and 2022, Francisca Juarez and her co-conspirators participated in a scheme to file fraudulent UI claims in Michigan and elsewhere. The fraudulent UI claims were filed for individuals ineligible to receive benefits. The co-conspirators notified Francisca Juarez that the claims needed approval, and Francisca Juarez then requested that her mother, co-defendant Adelita Juarez, who was a UI examiner for the State of Michigan, process the fraudulent claims to ensure they were paid. Francisca Juarez received kickback payments from her co-conspirators in connection with each fraudulent claim.

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This is a joint investigation with the FBI, the MUIA, and the DHS-OIG. *United States v. Juarez et al.* (W.D. Michigan)

Two Virginia Women Sentenced for Roles in Pandemic Unemployment Insurance Fraud Conspiracy

In November 2023, two defendants were sentenced for their roles in a conspiracy to fraudulently obtain pandemic-related UI benefits by using the PII belonging to both Virginia Department of Corrections (VA DOC) inmates and identity theft victims. During this period, the following actions occurred:

- Jenyce Williams was sentenced on November 9, 2023, to 120 months in prison and ordered to pay more than \$802,000 in restitution to the Virginia Employment Commission (VEC), jointly and severally with her co-defendants;
- Darla Dickens was sentenced on November 17, 2023, to 45 months in prison and ordered to pay restitution to VEC of approximately \$260,000, jointly and severally with her co-defendants.

From approximately May 2020 through November 2020, Williams, Dickens and Alisha Mayfield, a third co-defendant, conspired to use the PII (including names, dates of birth, and Social Security numbers) belonging to others to file fraudulent UI claims with VEC during the COVID-19 pandemic. Williams' role in the conspiracy was to submit fraudulent UI applications and complete weekly certifications using PII of either VA DOC inmates or out-of-state individuals who did not authorize the filings and had no knowledge of the fraud scheme. Dickens' role in the conspiracy was to provide the PII of various VA DOC inmates, who she or others had recruited into the scheme, to her co-conspirators so that they could file fraudulent UI claims in the inmates' names. In order for the fraudulent UI claims to be approved, Williams and Mayfield entered false information on fraudulent UI applications. On a weekly basis, Williams and Mayfield submitted false certifications to ensure UI benefits would continue to be paid. Williams elected for most of the UI benefits to be paid through prepaid debit cards, which were mailed to her address, Mayfield's address, or other residences specifically selected to avoid raising suspicion from having multiple debit cards mailed to any one address.

As a result of the conspiracy, VEC approved the payment of approximately \$479,000 in UI benefits on behalf of individuals who were not entitled to receive such benefits, including VA DOC inmates and non-inmates.

This is a joint investigation with the DHS-OIG and the USPIS. *United States v. Alisha Mayfield et al.* (E.D. Virginia)

Worker and Retiree Benefit Programs

Office of Workers' Compensation Programs

The Office of Workers' Compensation Programs (OWCP) administers four major workers' compensation programs: Federal Employees' Compensation, Energy Employees Occupational Illness Compensation (Energy), Coal Mine Workers' Compensation (Black Lung Benefits), and Longshore and Harbor Workers' Compensation.

FECA is the largest of the programs and provides workers' compensation coverage to millions of federal, postal, and other employees for work-related injuries and illnesses. Benefits include wage replacement, payment for medical care, vocational rehabilitation, and survivor benefits.

Medical Marketer Convicted for His Role in a \$55 Million Compounding Fraud Scheme

On October 26, 2023, at the conclusion of a two-week trial, a federal jury in the Northern District of Texas convicted Quintan Cockerell of one count of conspiracy to defraud the United States, one count of receiving unlawful kickbacks, and one count of money laundering. Cockerell was a medical marketer who participated in a \$55 million fraud conspiracy involving federal health care programs.

Cockerell worked with others to create and market expensive, custom-tailored, compounded medications for individual patient needs. Instead of customizing the medications based on the needs of the patient, a local pharmacy designed formulations to maximize health care program reimbursements from various federal programs, including FECA, regardless of patient need or medical efficacy. Cockerell received illegal kickback payments from pharmacy owners and others who both recruited area doctors to write prescriptions for the expensive compounded medications and created opportunities for doctors who wrote the prescriptions to the pharmacy to profit from the pharmacy's operations. Cockerell spent the proceeds of the scheme on expensive vacations, trips on private jets, and a yacht charter.



This is a joint investigation with the FBI, the Defense Criminal Investigative Service (DCIS), the U.S. Department of Health and Human Services (HHS)-OIG, and the U.S. Department of Veterans Affairs (VA)-OIG. *United States v. Hall et al.* (N.D. Texas)

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Former Pharmacy Owner Sentenced to Prison and Ordered to Pay More Than \$6.4 Million in Restitution

On October 4, 2023, Christopher R. Parks, former owner of compounding pharmacies OK Compounding, LLC and One Stop RX, LLC, in Oklahoma, was sentenced to 18 months in prison and ordered to pay more than \$6.4 million in restitution, with more than \$700,000 payable to the OWCP.

From November 2012 through June 2019, Parks paid physicians kickbacks to refer their patients' compounding prescriptions to his pharmacies. He was aware that federal health care programs, to include the FECA program, paid for some of the compounding prescriptions. In furtherance of the scheme, Parks paid the prescribing physicians through bank accounts he controlled and attempted to disguise the kickback payments by entering into agreements with the physicians for purported medical studies.

This is a joint investigation with the FBI, the DCIS, the Internal Revenue Service-Criminal Investigation (IRS-CI), the U.S. Postal Service (USPS)-OIG, the VA-OIG, and the HHS-OIG. *United States v. Christopher R. Parks* (N.D. Oklahoma)

Several Individuals Convicted and Sentenced in Health Care Fraud Scheme Involving Kickbacks

Between December 2023 and March 2024, two defendants pled guilty and three others were sentenced for their roles in a health-care fraud kickback scheme involving prescriptions made under federal healthcare programs, including DOL's OWCP.

During this period, the following actions occurred:

- On December 26, 2023, Mark Schneider, co-owner of Medoc Health Services (Medoc) pled guilty to one count of conspiracy to solicit and receive kickbacks from pharmacies.
- On January 18, 2024, Cuong "Michael" Nguyen was sentenced to 10 months in prison and ordered to pay more than \$590,000 in restitution to the U.S. Government, including approximately \$286,000 to OWCP.
- On February 13, 2024, Michael Schneider pled guilty to one count of conspiracy to solicit and receive kickbacks involving federal healthcare programs including the OWCP, TRICARE, and Medicare.

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- On February 28, 2024, Kevin Kuykendall was sentenced to 36 months in prison while Sabrina Kuykendall was sentenced to serve probation for 36 months. Both Kuykendalls were ordered to pay restitution of approximately \$4.4 million jointly and severally with other defendants, including more than \$2.4 million to OWCP.

From approximately March 2015 to October 2015, Mark Schneider, Michael Schneider, Kevin Kuykendall and Sabrina Kuykendall engaged in a conspiracy to commit healthcare fraud by knowingly soliciting and receiving kickbacks in exchange for referrals of prescriptions under federal healthcare programs. Medoc, owned by Mark Schneider and Kevin Kuykendall, entered into relationships with doctors who wrote prescriptions for various medications, often including compound pain creams that were sent to Total RX pharmacy, owned by Nguyen, for fulfillment at Medoc's direction. Nguyen allowed Michael Schneider to receive a purported salary and commission on all prescriptions sent by Medoc to Total RX, which were paid for under federal healthcare programs, including those administered by OWCP, as well as TRICARE and Medicare.

In furtherance of the scheme, the Schneiders and Kevin Kuykendall entered into operating and contracting agreements in order to provide cover for the kickbacks and divert portions of money paid to Michael Schneider as salary from Total RX. The money was later disbursed to Sabrina Kuykendall and other co-conspirators of the scheme. Those agreements were intended to provide a "cover" for funds Mark Schneider illegally obtained and shared with others through the kickback scheme. Mark Schneider created fictitious entities and opened bank accounts to hide the illegal kickbacks between Total RX and Medoc as salary payments to Michael Schneider.

Before claiming Michael Schneider as an employee, Nguyen turned over 50% control of Total RX to the individuals who owned and controlled Medoc to maintain their lucrative business relationship. This control provided Medoc with 75% of the net revenue from Total RX.

The various schemes perpetrated by the co-conspirators and Schneider caused a loss to federal healthcare programs of more than \$4 million.

This is a joint investigation with the FBI, the DCIS, the USPS-OIG, the HHS-OIG, U.S. Office of Personnel Management-OIG, and the DOL-EBSA. *United States v. Kuykendall et al.* (N.D. Tex)

Worker Safety, Health, and Workplace Rights



Mine Safety and Health Administration

Mine Safety and Health Administration

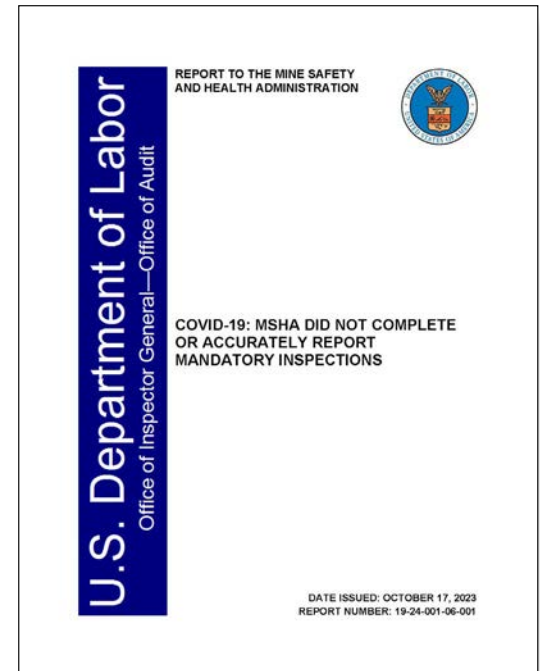
The federal Mine Safety and Health Act of 1977, as amended by the Mine Improvement and New Emergency Response Act of 2006, charges the Mine Safety and Health Administration (MSHA) with setting and enforcing standards to protect the health and safety of approximately 324,000 men and women working in our nation's mines.

COVID-19: MSHA DID NOT COMPLETE OR ACCURATELY REPORT MANDATORY INSPECTIONS

Why OIG Conducted the Audit

The Federal Mine Safety and Health Act of 1977 requires each underground mine to be inspected in its entirety at least four times a year and each surface mine in its entirety at least two times a year. On behalf of the U.S. Secretary of Labor, MSHA conducts mandatory inspections to prevent death, illness, and injury at mines and promote safe and healthy work environments for miners.

The OIG has long-standing concerns regarding MSHA's operational risks associated with its mandatory inspections program and how such risks impact MSHA's mission to protect the lives of miners.



What OIG Did

Based on these concerns, we performed this audit to determine the following:

Did MSHA complete mandatory safety and health mine inspections before and during the COVID-19 pandemic?

We interviewed MSHA personnel, reviewed MSHA policies, analyzed 78,598 mandatory inspections ending in FY 2018 through FY 2021, and evaluated MSHA's inspection completion data.

Worker Safety, Health, and Workplace Rights

What OIG Found

MSHA did not complete an estimated 1,589 mandatory safety and health mine inspections before and during the COVID-19 pandemic. Specifically:

MSHA did not complete an estimated 1,589 mandatory mine inspections during FY 2018 through FY 2021 although it reported a nearly 100 percent completion rate. These were largely due to inspections eliminated from idle mine visits and errors in accounting for the types of activities performed. This occurred because MSHA had not effectively improved the design or execution of its internal control system since a 2011 OIG audit found similar internal control issues with the mandatory inspections program. This led to missed opportunities to protect miners by identifying hazards to miners and requiring corrections.

Weaknesses in MSHA's ability to accurately determine a mine's status increased the risk of MSHA not completing mandatory inspections. We identified weaknesses related to seven areas that generally affected when or how often to conduct a mine status verification, what aspects to check, and what tools to use. Breakdowns in MSHA's internal control system created these weaknesses, and increased the risk of MSHA incorrectly calculating inspections required and not completing inspections.

Other issues affected MSHA's ability to accurately calculate and report completed mandatory inspections. The issues included inaccurate or incomplete data, ineffective communication, and missing policies. These increased the likelihood of MSHA incorrectly reporting to Congress and the public how many inspections it completed. This led to MSHA incorrectly reporting for fiscal years 2019, 2020, and 2021. As a result, Congress was unaware of the increased risk to miners given the lower number of inspections MSHA had performed.

What OIG Recommended

We made 11 recommendations to improve the policies, processes, and system data for the mandatory inspections program. MSHA generally agreed with our recommendations.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/19-24-001-06-001.pdf>, Report No. 19-24-001-06-001 (October 17, 2023).

Employment and Training Programs



**Employment and Training
Administration Programs**

Bureau of Labor Statistics

Employment and Training Administration Programs

The Employment and Training Administration (ETA) administers federal government job training and worker dislocation programs. This includes programs authorized by the Workforce Innovation and Opportunity Act (WIOA) that provide employment assistance; labor market information; and job training for adults, youth, dislocated workers, and other targeted populations. The WIOA aims to strengthen the public workforce system and help get Americans—including youth and those with significant barriers to employment—into high-quality jobs and careers. The WIOA also helps employers hire and retain skilled workers.

Los Angeles Nonprofit Chief Sentenced for Embezzling Job Training Funds and Cheating on Taxes

On December 12, 2023, Howard Dixon Slingerland, the former president and CEO of a Los Angeles-based anti-poverty nonprofit agency, was sentenced to 6 months in prison for embezzling money from the nonprofit for his personal benefit, failing to report those funds on his tax returns, and intentionally misapplying more than \$600,000 in grant money to pay for unauthorized expenses. He was also ordered to serve 6 months of home confinement, pay a fine of \$10,000, pay more than \$750,000 in restitution, and perform 200 hours of community service.

From 1996 until he was fired in September 2019, Slingerland worked for the Youth Policy Institute Inc. (YPI), a nonprofit agency, eventually becoming president and CEO. YPI worked to eradicate poverty in Los Angeles with a comprehensive approach addressing education, youth development, safety, job training, and health and wellness. As the head of YPI, Slingerland had check-signing authority over YPI's bank accounts and was the personal guarantor of YPI's credit card.

From January 2015 to February 2019, Slingerland caused at least \$71,000 of YPI funds to be spent on unauthorized expenditures, including his personal property tax bill that exceeded \$14,000; a family dinner that cost more than \$6,000; private tutoring costing nearly \$11,000; and a home computer and software valued at nearly \$2,000.

Slingerland also caused federal grant money YPI had received under the WIOA, which is administered by the DOL, to be used for unauthorized purposes. The grant was awarded to support YPI education and training programs designed to prepare young adults in Los Angeles for jobs in growing industries. Instead, in July 2019, he caused approximately \$401,000 of these funds to be used for the unauthorized payment of YPI payroll. That same month, he caused another \$201,000 of the federal grant money to be illegally used to pay off YPI's credit card bill, including expenses incurred in his personal capacity.

Employment and Training Programs

Slingerland underreported on his personal federal income tax returns more than \$100,000 in income each year for the tax years 2015 through 2018. He did not report the money he obtained from YPI through the embezzlement or the value of benefits he received from YPI, including retirement plan contributions, a housing allowance, and a vehicle allowance. Slingerland admitted to owing the U.S. Treasury more than \$147,000 in unpaid taxes, not including penalties and interest, for these years.



This is a joint investigation with the FBI, the DOJ-OIG, the U.S Department of Education-OIG, the IRS-CI, and the Los Angeles County Unified School District. *United States v. Howard Dixon Slingerland* (C.D. California)

Bureau of Labor Statistics

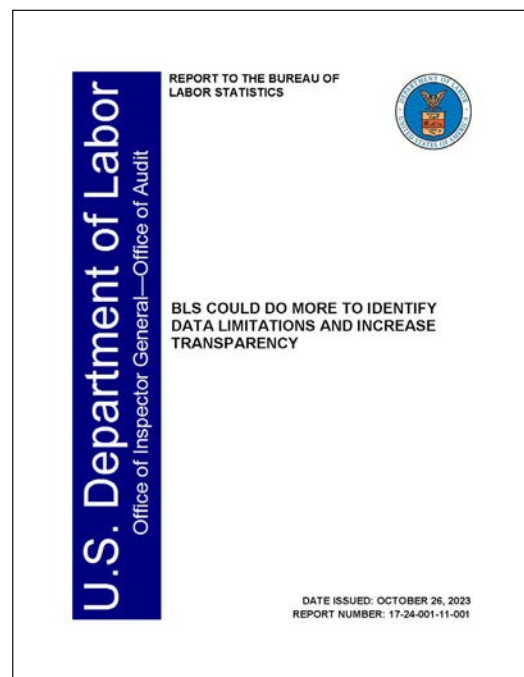
The Bureau of Labor Statistics (BLS) is responsible for measuring labor market activity, working conditions, and price changes in the economy. BLS collects, analyzes, and disseminates economic information to support public and private decision making.

BLS COULD DO MORE TO IDENTIFY DATA LIMITATIONS AND INCREASE TRANSPARENCY

Why OIG Conducted the Audit

BLS is one of the principal federal statistical agencies responsible for measuring labor market activity, working conditions, and price changes in the nation's economy. Federal policymakers, public institutions, and private citizens use this essential economic information to guide and support decision-making.

BLS collects data from both households and establishments using voluntary surveys; however, response rates for these surveys have steadily declined over the past 10 years.



What OIG Did

We conducted this audit to answer the following question:

How has BLS addressed challenges posed by declining statistical survey response rates, and what was the impact of the declining response rates on the reliability and costs of economic information developed by BLS?

To answer this question, we examined three BLS surveys: the Current Population Survey, the Consumer Price Index, and the Import and Export Price Indexes. We interviewed BLS program officials and representatives from other federal statistical agencies; analyzed BLS survey data,

Employment and Training Programs

guidance, methodologies, and publication criteria; and reviewed public laws and OMB policies. We focused on improvements needed in ensuring the transparency of potential survey data limitations to users of BLS data. However, we do not make determinations or provide conclusions on the reliability of the three indexes that we reviewed.

What OIG Found

BLS has taken actions to address challenges posed by declining survey response rates. However, BLS could do more to identify potential data limitations in its economic information and increase the transparency of those limitations. We were unable to identify a correlation between costs and declining survey response rates. To reduce the impact of missing data caused by declining survey response rates, BLS increased the use of imputations in its survey data, which are essentially replacement data inferred from relevant information available. Although imputations are a standard practice among federal statistical agencies, BLS could be more transparent regarding its increased use of imputations to facilitate accurate interpretation of its survey data.

During the COVID-19 pandemic, BLS bypassed controls in place to ensure the reliability of its economic information in 10 percent of published indexes for Import and Export Price Indexes. Further, BLS did not ensure transparency regarding exceptions to survey publication criteria.

Increased transparency with regard to potential data limitations is needed to ensure BLS survey users draw correct conclusions from the data when making critical decisions, such as policy changes that affect the American people.

What OIG Recommended

We made four recommendations to BLS to improve the transparency and clarity surrounding the use of imputations and published survey data. BLS agreed to take corrective actions for all four recommendations.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/17-24-001-11-001.pdf>, Report No. 17-24-001-11-001 (October 26, 2023).



Labor Racketeering

Labor Racketeering

Under the Inspector General Act of 1978, as amended, the OIG is responsible for investigating labor racketeering and the influence of organized criminal enterprises involving unions, employee benefit plans, and labor-management relations.

Labor racketeering refers to the infiltration, exploitation, or control of a union, employee benefit plan, employer entity, or workforce, carried out through illegal, violent, or fraudulent means. OIG labor racketeering investigations focus largely on individuals and organized criminal enterprises engaged in embezzlement, extortion, violence against union members or employers, and other related criminal activities.

Our investigations continue to identify fraudulent payments from employers to union representatives in order to gain favorable labor agreements for the employer. Our investigations have also identified complex financial and investment schemes used to defraud union affiliated benefit plans, resulting in millions of dollars in losses to plan participants.

Colombo Crime Family Captain Sentenced to 51 Months in Prison

On February 28, 2024, Vincent Ricciardo, aka “Vinny Unions,” was sentenced to 51 months in prison for his participation in the long-running extortion of a senior official of a New York-based labor union and other criminal schemes he carried out as a captain in the Colombo crime family of La Cosa Nostra. He was also ordered to forfeit \$350,000 and pay approximately \$280,000 in restitution. In July 2023, Ricciardo pled guilty to racketeering and admitted to his participation in the extortion of the labor union official and various conspiracies to commit money laundering, loansharking, and fraud in connection with workplace safety certificates.

Ricciardo and his co-conspirators committed a variety of crimes including extortion, loansharking, fraud, and drug-trafficking to enrich themselves and promote the continued operation of the Colombo crime family. The Colombo crime family, including Ricciardo, agreed to the use of extortionate means, including threats of bodily harm, to force a senior union official to give over a portion of his salary, as well as make decisions that would financially benefit the Colombo crime family’s administration. Ricciardo and his co-conspirators pressured the trustees of the union’s associated healthcare benefit fund to select vendors who were associated with the Colombo crime family. The defendants sought to divert more than \$10,000 per month from the health fund’s assets.

Ricciardo also threatened to kill the senior union official, stating in a consensually recorded phone call that the official would obey him because he knew Ricciardo would “put him in the ground right in front of his wife and kids.”

This is a joint investigation with the FBI and DOL-EBSA. *United States v. Vincent Ricciardo* (E.D. New York)

Labor Racketeering

Federal Jury Convicts Former IBEW Local 98 Business Manager John Dougherty and Former Local 98 President Brian Burrows of Conspiracy, Embezzlement of Union Funds, and Tax Fraud

On December 7, 2023, John Dougherty and Brian Burrows were convicted by a federal jury of numerous charges related to their embezzlement of funds belonging to Local 98 of the International Brotherhood of Electrical Workers (“Local 98”).

John Dougherty was the former business manager of Local 98 and Brian Burrows was the former president. In January 2019, a federal grand jury indicted Dougherty, Burrows, and four other union employees. They were charged with multiple federal offenses connected to their illegal use of Local 98 funds for personal and other unauthorized expenses. This illegal use of union funds was contrary to the provisions of IBEW’s constitution, the by-laws of Local 98, and the beneficial interests of Local 98’s members. The indictment also charged Dougherty and Burrows with concealing the embezzlement of Local 98’s funds by filing false labor management reports with the DOL and with tax fraud by failing to report their personal use of the funds on their tax returns.

The federal jury convicted Dougherty of 65 counts including conspiracy to embezzle the funds of Local 98, embezzlement, wire fraud, signing and submitting false labor management forms, and filing false federal income tax returns. The jury convicted Burrows of 20 counts, including embezzlement, signing and submitting false labor management forms, and filing false federal income tax returns.

Dougherty and a co-defendant were also charged with depriving the City of Philadelphia and its citizens of the right to honest services through fraudulent means. These charges were severed, and in November 2021, a federal jury convicted Dougherty of conspiracy to commit honest services fraud and honest services wire fraud. He is currently awaiting sentencing related to these convictions.

This is a joint investigation with the FBI, the IRS, the DOL-EBSA, and the DOL-Office of Labor-Management Standards. *United States v. John Dougherty* (E.D. Pennsylvania)

Departmental Management



Departmental Management

Single Audits

Departmental Management

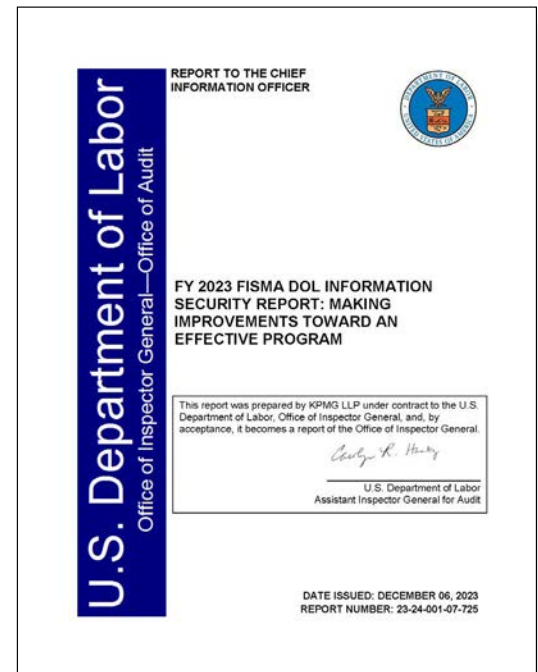
The OIG performs oversight work involving the Department's operations, financial management, and IT services.

FY 2023 FISMA DOL INFORMATION SECURITY REPORT: MAKING IMPROVEMENTS TOWARD AN EFFECTIVE PROGRAM

Why OIG Conducted the Audit

Under the Federal Information Security Modernization Act of 2014 (FISMA), the OIG is required to perform annual independent evaluations of the Department's information security program and practices.

This effort assesses the effectiveness of information security controls over information resources that support federal operations and assets, and it also provides a mechanism for improved oversight of information security programs. This includes assessing the risk and magnitude of the harm that could result from unauthorized access, use, disclosure, disruption, modification, or destruction of such information or information systems.



What OIG Did

We contracted with KPMG LLP (KPMG) to conduct an independent performance audit on DOL's FY 2023 information security program for the period October 1, 2022, through June 30, 2023. To determine the effectiveness of the program, we evaluated security controls in accordance with applicable legislation, guidelines, directives, and other documentation. Findings were also based on testing relevant security controls and targeted penetration tests.

Departmental Management

What OIG Found

KPMG reported seven findings for DOL's information security program within two of five Cybersecurity Framework Functions and four of nine FISMA Metric Domains, which resulted in determining DOL's information security program was not effective, according to guidance from OMB.

Although DOL established and maintained its information security program, KPMG found weaknesses that demonstrated the information security program had not achieved a maturity rating of Managed and Measurable (Level 4) in three of the five Cybersecurity Framework Functions: Identify, Protect, and Recover. A security program is only considered effective if the calculated score of the Cybersecurity Framework Functions is rated at least Managed and Measurable (Level 4).

While the Office of Chief Information Officer (OCIO) has made improvements in its information security program from previous years, we identified areas of improvement required to reach a Managed and Measurable, or effective, program. DOL's information security program did not fully adhere to applicable FISMA requirements and other guidance, and KPMG noted further deficiencies in the development and implementation of supply chain risk management security controls, Plan of Action and Milestones reviews, configuration management controls, and the enforcement of rules of behavior acknowledgement. Based on these issues, we continue to be concerned about the remaining corrections needed in OCIO's oversight and accountability over DOL's information security control environment.

What OIG Recommended

KPMG made three new recommendations to strengthen DOL's information security program. Based on our testing, we determined that 38 prior year recommendations were closed, and 31 recommendations remained open.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/23-24-001-07-725.pdf>, Report No. 23-24-001-07-725 (December 6, 2023).

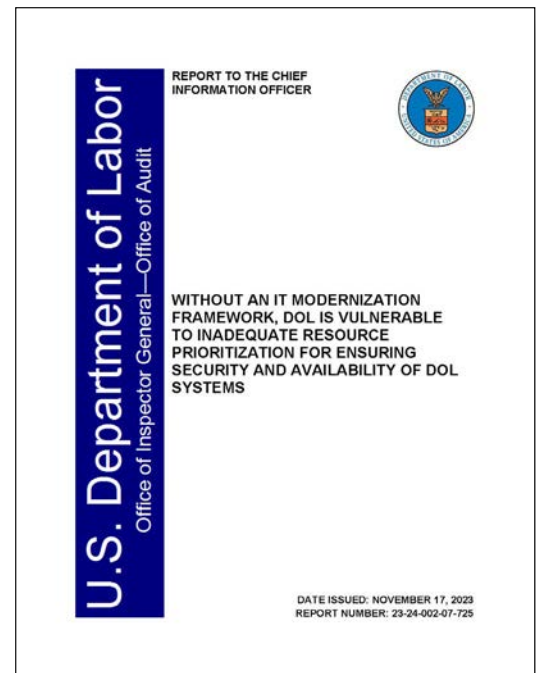
Departmental Management

WITHOUT AN IT MODERNIZATION FRAMEWORK, DOL IS VULNERABLE TO INADEQUATE RESOURCE PRIORITIZATION FOR ENSURING SECURITY AND AVAILABILITY OF DOL SYSTEMS

Why OIG Conducted the Audit

IT modernization refers to an organization's efforts to prevent IT systems from becoming outdated, which can lead to poor performance and security concerns. DOL IT systems support DOL programs in ensuring the health and safety of American workers—including miners and unemployed workers—and provide timely economic indicators that are vital for the country.

DOL's CIO has responsibility and oversight for over 65 major information systems as well as enterprise IT initiatives across DOL. This responsibility includes overseeing the organization's efforts to upgrade IT systems and to ensure that existing IT systems do not become outdated due to lifecycle, technical, or business reasons. It is a tremendous responsibility to ensure the IT posture remains secure and technologically able to support DOL's mission.



What OIG Did

Given these risks, the OIG conducted a performance audit to determine:

Has the Department developed an IT modernization framework and what is its current and future state?

To answer this question, we interviewed personnel and reviewed DOL's IT modernization activities from January 2022 through August 2022, including analysis of documentation and funding mechanisms.

Departmental Management

What OIG Found

We found the Department has not developed a formal, documented IT modernization framework. While the CIO has developed several elements that could become part of an IT modernization framework, we found those elements are not linked to one another nor documented as part of a larger, formalized process. The CIO's reason for lack of a documented framework was to keep the approach dynamic. However, a documented framework would ensure consistency going forward rather than leaving DOL's IT modernization efforts open to interpretation and subject to changes in personnel.

Also, we found that at least two of the elements could be improved. First, the agency updated documents that the CIO uses to monitor IT modernization projects are incomplete and also agency-curated, instead of being based on the full picture. Second, the inventory of IT systems used to prioritize IT modernization efforts is a spreadsheet that has to be manually updated and does not link to the other elements.

These issues lead to gaps in the CIO's visibility of the current and future states of DOL's IT modernization. As a result, DOL is vulnerable to spending valuable time and resources on IT projects that are not the highest priorities for ensuring the security and availability of vital DOL systems.

What OIG Recommended

We made three recommendations to the CIO to improve IT modernization, including documenting a framework. The CIO agreed with the three recommendations.

For more information, go to, <https://www.oig.dol.gov/public/reports/oa/2024/23-24-002-07-725.pdf>, Report No. 23-24-002-07-725 (November 17, 2023).

Departmental Management

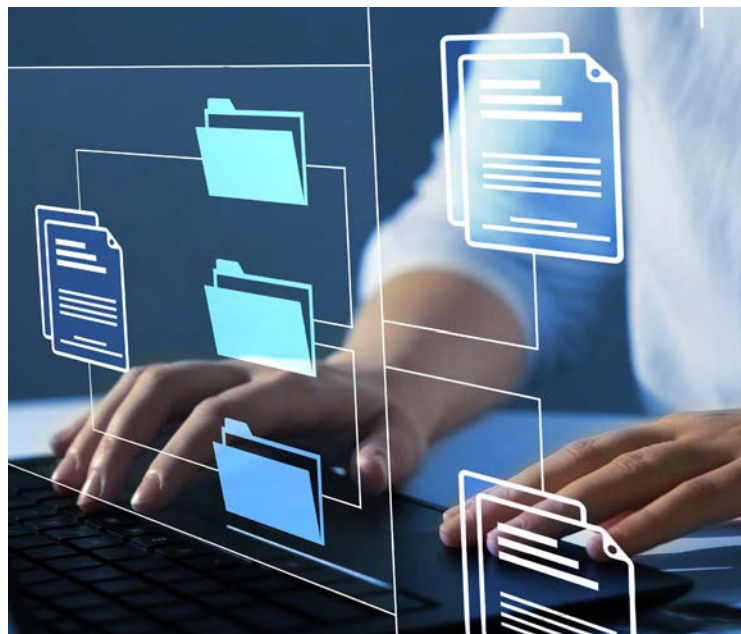
Management Advisory Comments Identified in an Audit of the Consolidated Financial Statements for the Year Ended September 30, 2023

In a separate Management Advisory Comments report, KPMG provided additional information to DOL management on issues identified during the OIG-contracted financial statement audit that did not rise to the level of significant deficiencies. The additional information represented opportunities for DOL to improve internal controls or achieve other operating efficiencies. KPMG identified two new comments and two prior-year comments still present in FY 2023 and noted the resolution of six prior-year comments closed in FY 2023.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/22-24-005-13-001.pdf>, Report No. 22-24-005-13-001 (December 20, 2023).

FY 2023 Independent Auditor's Report on the DOL Financial Statements

The OIG contracted with the independent certified public accounting firm of KPMG to audit DOL's annual financial statements, which comprise the consolidated financial statements and sustainability financial statements, as of and for the fiscal year ended September 30, 2023. KPMG concluded that DOL complied, in all material respects, with the requirements of the Federal Financial Management Improvement Act of 1996 as of September 30, 2023. However, KPMG issued a qualified opinion on the consolidated financial statements and identified one material weakness on internal control over financial reporting.



Also, KPMG found the sustainability financial statements presented fairly, in all material respects, DOL's social insurance⁴³ information as of September 30, 2023, 2022, 2021, 2020, and 2019, and its changes in social insurance amounts for the years ended September 30, 2023, and 2022 in accordance with U.S. generally accepted accounting principles.

⁴³ Social insurance is defined as income transfer programs financed by compulsory earmarked taxes. DOL operates the Black Lung Benefits program, which is classified as a social insurance program and is reported in its sustainability financial statements.

Departmental Management

KPMG issued a qualified opinion because it was unable to obtain sufficient appropriate audit evidence about the methodology and underlying assumptions used to estimate certain unemployment insurance balances in FY 2023 and 2022.

In addition, KPMG identified certain deficiencies in internal control that they considered to be a material weakness and determined improvements were needed in controls over financial reporting related to unemployment trust fund balances and activity. To address these deficiencies, KPMG provided three recommendations to the Deputy Chief Financial Officer and the Principal Deputy Assistant Secretary for Employment and Training.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/22-24-004-13-001.pdf>, Report No. 22-24-004-13-001 (November 14, 2023).

Special Report Relating to the Federal Employees' Compensation Act Special Benefit Fund

The OIG contracted with KPMG to audit the FECA Special Benefit Fund's Schedule of Actuarial Liability, Net Intra-Governmental Accounts Receivable, and Benefit Expense Fund as of, and for the year ended, September 30, 2023. KPMG issued an unmodified opinion, meaning the schedule was presented fairly in all material respects and in conformity with U.S. generally accepted accounting principles. KPMG also performed certain tests of controls and compliance with laws and regulations related to the fund. Its testing of controls found no deficiencies in internal control over financial reporting that it considered to be significant deficiencies and/or material weaknesses. KPMG also performed agreed-upon procedures and identified certain differences as a result of performing the procedures over the actuarial liability and the benefit expense.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/22-24-003-04-431.pdf>, Report No. 22-24-003-04-431 (November 1, 2023).

Longshore and Harbor Workers' Compensation Act Special Fund Financial Statements and Independent Auditors' Report

The Longshore and Harbor Workers' Compensation Act Special Fund (Longshore Special Fund) provides medical benefits, compensation for lost wages, and rehabilitation services for job-related injuries and diseases sustained by private-sector workers in certain maritime and related employment. The Longshore Special Fund also extends benefits to dependents if any injury results in the worker's death. The OIG contracted with KPMG to audit the financial statements of the Longshore Special Fund as of September 30, 2022. KPMG issued an unmodified opinion, meaning the financial statements presented fairly, in all material respects, the financial position of the

Departmental Management

Longshore Special Fund, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

As part of its audit, KPMG also considered the Longshore Special Fund's internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Longshore Special Fund's internal control over financial reporting nor to identify all deficiencies that might be material weaknesses or significant deficiencies. However, KPMG identified certain deficiencies in internal control that we consider to be a material weakness.

First, the Office of Chief Financial Officer's (OCFO) control for preparing and reviewing the Longshore Special Fund financial statements was not properly designed and implemented. In addition, Management's review of the financial statements and related disclosures did not consider the elevated risks associated with determining the impact of prior year ontop adjustments to ensure that the correct adjustments were included in the current year financial statements. Lastly, some allowance amounts reported in the Accounts Receivable footnote were incorrect.

As part of obtaining reasonable assurance, KPMG also performed certain tests of the Longshore Special Fund's compliance with applicable laws and regulations and its test results disclosed no instances of noncompliance or other matters required to be reported under government auditing standards.

To address the deficiencies noted above, we recommended that the Deputy Chief Financial Officer consider an additional reviewer and/or additional review procedures for nonroutine adjustments and accurate presentation of the financial statements and related footnote disclosures.



For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/22-24-001-04-432.pdf>, Report No. 22-24-001-04-432 (October 30, 2023).

Departmental Management

District of Columbia Workmen's Compensation Act Special Fund Financial Statements and Independent Auditors' Report

The District of Columbia Workmen's Compensation Act of 1928 Special Fund (DCCA Special Fund) provides medical benefits, compensation for lost wages, and rehabilitation services for job-related injuries, diseases, or death of certain private-sector workers in the District of Columbia. The DCCA Special Fund also extends benefits to dependents if any injury resulted in the employee's death. The OIG contracted with KPMG to audit the financial statements of the DCCA Special Fund as of September 30, 2022. KPMG issued an unmodified opinion, meaning the financial statements presented fairly, in all material respects, the financial position of the DCCA Special Fund, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

As part of its audit, KPMG also considered the DCCA Special Fund's internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the DCCA Special Fund's internal control over financial reporting nor to identify all deficiencies that might be material weaknesses or significant deficiencies. However, KPMG identified certain deficiencies in internal control that we consider to be a material weakness.

First, the OCFO control for preparing and reviewing the DCCA Special Fund financial statements was not properly designed and implemented. In addition, management's review of the financial statements did not consider the elevated risks associated with determining the impact of prior year on-top adjustments to ensure that the correct adjustments were included in the current year financial statements.

First, the OCFO control for preparing and reviewing the DCCA Special Fund financial statements was not properly designed and implemented.

As part of obtaining reasonable assurance, KPMG also performed certain tests of the DCCA Special Fund's compliance with applicable laws and regulations, and its test results disclosed no instances of noncompliance or other matters required to be reported under government auditing standards.

To address the deficiencies noted above, we recommended that the Deputy Chief Financial Officer consider an additional reviewer and/or additional review procedures for nonroutine adjustments and accurate presentation of the financial statements.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/22-24-002-04-432.pdf>, Report No. 22-24-002-04-432 (October 30, 2023).

Single Audits

A single audit provides an organization-wide examination of an entity expending federal assistance funds received for its operations. The audit is typically conducted annually by an independent certified public accountant, and its objective is to provide assurance to the U.S. government regarding the management and use of funds by recipients such as states, schools, universities, and nonprofits.

Quality Control Review of Single Audits

Under OMB Uniform Guidance,⁴⁴ cognizant federal agencies ensure the implementation of single audit requirements. A nonfederal entity expending more than \$50 million a year in federal awards has a cognizant agency for audit.⁴⁵ DOL is currently cognizant for 12 entities.

The OIG periodically performs QCRs of single audits of entities over which DOL has cognizance. During this reporting period, we conducted two QCRs: (1) Quality Control Review of the Single Audit of the American Association of Retired Persons (AARP) Foundation for the Year Ended December 31, 2022; and (2) Quality Control Review on the Single Audit of the State of New Mexico Workforce Solutions Department for the Year Ended June 30, 2022.

Quality Control Review of the Single Audit of the AARP Foundation for the Year Ended December 31, 2022

We performed a QCR of the independent certified public accounting firm Grant Thornton LLP's single audit of the AARP Foundation for the Year Ended December 31, 2022. Our QCR covered the Senior Community Service Employment Program, which totaled \$83.7 million of DOL funds. We determined Grant Thornton LLP's audit work on the single audit was acceptable and met the requirements of government auditing standards, generally accepted auditing standards, and OMB Uniform Guidance. Our report did not contain any recommendations.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/24-24-001-50-598.pdf>, Report No. 24-24-001-50-598 (January 24, 2024).

⁴⁴ Uniform Guidance refers to 2 C.F.R. Part 200, OMB's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

⁴⁵ According to Uniform Guidance, the designated cognizant agency for audit must be the federal awarding agency that provides the predominant amount of funding directly to a nonfederal entity unless OMB designates a specific cognizant agency for audit. Cognizant agencies for audit are the federal agencies designated to carry out the responsibilities described in Uniform Guidance § 200.513(a).

Departmental Management

Quality Control Review on the Single Audit of the State of New Mexico Workforce Solutions Department for the Year Ended June 30, 2022

We performed a QCR of the independent certified public accounting firm Moss Adams LLP's single audit of the State of New Mexico Workforce Solutions Department for the year ended June 30, 2022. Our QCR covered the Unemployment Insurance and Employment Service Cluster programs, which totaled \$459.5 million of DOL funds. We determined Moss Adams LLP's audit work on the single audit generally met the requirements of government auditing standards, generally accepted auditing standards, and OMB Uniform Guidance. However, we found nonunemployment insurance programs and expenditures were incorrectly included in the Schedule of Expenditures of Federal Awards (SEFA) unemployment insurance total. We made one recommendation to Moss Adams LLP to work with the State of New Mexico Workforce Solutions Department to revise and reissue the single audit report to ensure non-unemployment insurance programs and expenditures are not included on the SEFA unemployment insurance total.

For more information, go to <https://www.oig.dol.gov/public/reports/oa/2024/24-24-002-50-598.pdf>, Report No. 24-24-002-50-598 (March 12, 2024).





Employee Integrity Investigations

Employee Integrity Investigations

The OIG is responsible for investigating possible misconduct or criminal activities involving senior DOL employees or individuals providing services to the Department.

The OIG conducted an internal investigation into an allegation that a senior OIG employee had mismanaged COVID-19 audit contracts. There was no evidence to support the allegations and no further action was warranted.



OIG Whistleblower Activities

OIG Whistleblower Activities

Whistleblower Protection Coordinator

DOL employees, contractors, subcontractors, and grantees perform an important service by reporting evidence of wrongdoing, including misconduct, fraud, waste, and abuse, in DOL programs. Whistleblowers should never be subjected to, or threatened with, retaliation for having engaged in a protected communication or protected activity. The OIG plays a vital role in ensuring that DOL employees and employees of DOL grantees and contractors are informed of their rights and protections against retaliation for “blowing the whistle.” This work is done by the OIG Whistleblower Protection Coordinator Program, housed in the OIG’s Office of Legal Services.

Pursuant to Section 2 of the Whistleblower Protection Coordination Act of 2018 (S.1869, June 25, 2018), every Inspector General’s office is required to designate a Whistleblower Protection Coordinator. According to Section 2, the Whistleblower Protection Coordinator:

1. educates agency employees about prohibitions against retaliation for protected disclosures;
2. educates agency employees who have made or are contemplating making a protected disclosure about their rights and the remedies against retaliation for protected disclosures, including the means by which employees may seek review of any allegation of reprisal, as well as about the roles of the OIG, the Office of Special Counsel, the Merit Systems Protection Board, and any other relevant entities; and
3. provides general information about the timeliness of such cases, the availability of any alternative dispute mechanisms, and avenues for potential relief. Within the OIG, a Supervisory Associate Counsel to the Inspector General has been designated to serve as the Whistleblower Protection Coordinator.

Pursuant to this designation, the Whistleblower Protection Coordinator has:

- provided input into training that is required to be completed by all DOL employees, entitled “Prohibited Personnel Practices, Whistleblower Protection”;
- provided input into training that is required to be completed by all DOL supervisors and managers entitled “Responding to Whistleblower Retaliation Complaints/Overview of Prohibited Personnel Practices – Annual Training”;
- developed training for new employees titled “Whistleblower Rights and Protections for DOL Employees” that is included in all DOL employees’ New Employee Orientation and regularly provides this training live to Solicitor’s Office’s Honors Attorneys;

OIG Whistleblower Activities

- updated the DOL OIG public-facing website titled “Whistleblower Protection Coordinator,” which is available to all DOL and OIG employees, to provide information on whistleblower protections and options for DOL employees and employees of DOL contractors and grantees;
- provided live training to all OIG employees on “Whistleblower Rights and Protections for OIG Employees;”
- established a dedicated e-mail address—OIGWhistleblower@oig.dol.gov—to receive and respond to whistleblower-related inquiries from DOL employees and employees of DOL contractors and grantees;
- obtained the OIG’s recertification of its 2302(c) program from the Office of Special Counsel (July 2023);
- monitored whistleblower retaliation complaints received by the OIG, as well as whistleblower retaliation investigations conducted by the OIG;
- conducted training for a DOL agency district office on Whistleblower Rights and Protections for DOL Employees; and
- participated on the panel of Whistleblower Protection Coordinators for the Council of the Inspectors General on Integrity and Efficiency Whistleblower Education Forum.

Whistleblower Retaliation Investigations

The OIG can initiate its own investigations into allegations of improper or illegal retaliation brought by DOL employees or, on a discretionary basis, refer such allegations to the Office of Special Counsel for review and investigation.

Further, pursuant to 41 U.S.C. § 4712, the OIG is required, with some exceptions, to investigate whistleblower retaliation allegations made by employees of DOL contractors or grantees.

Table 2: Whistleblower Investigations, October 1, 2023–March 31, 2024

Investigation Type	Number
Pending DOL employee complaint investigations	4
Reports related to DOL employee whistleblower retaliation complaints sent to the appropriate agencies within the Department	0
Grantee/contractor employee complaints closed after preliminary inquiry	0
Pending grantee/contractor employee complaint investigations	3
Reports pending with DOL	0
Decision issued by the DOL Assistant Secretary for Administration and Management	1



Legislative Recommendations

Legislative Recommendations

The Inspector General Act of 1978, as amended, requires the Office of Inspector General (OIG) to review existing or proposed legislation and regulations and to make recommendations in the Semiannual Report to Congress concerning their impact both on the economy and efficiency of the Department's programs and on the prevention of fraud, waste, and abuse. The OIG continues to propose the following legislative actions to increase efficiency and protect the U.S. Department of Labor's (DOL or Department) programs.

Inspector General Larry D. Turner, in congressional testimonies and through other means, highlighted four high-priority recommendations for congressional consideration:

1. Extend the statute of limitations for fraud involving pandemic-related unemployment insurance (UI) programs;
2. Ensure DOL and the OIG have ongoing, timely, and complete access to UI claimant data and wage records;
3. Grant the OIG statutory authority to participate in asset forfeiture funds to combat UI fraud and other crime; and
4. Ensure effective payment integrity controls to reduce improper payments in all UI programs including temporary ones, such as through broader requirements for mandatory cross-matching.

Details on these and other legislative recommendations follow.

Extend the Statute of Limitations Associated with Pandemic-Related UI Fraud

Unless Congress acts urgently, the statute of limitations for many of the OIG's pandemic-related UI fraud investigations will begin to expire in early 2025. Because the statutes most often used to prosecute UI fraud have a 5-year limitation, many groups and individuals that have defrauded the UI program may escape justice. Even with the OIG's tireless efforts, the current statute of limitations associated with UI fraud means federal law enforcement will still fall short in fully investigating and prosecuting some of the most egregious cases of UI fraud. This is particularly the case given the volume and complexity of UI fraud matters we are tasked to investigate. This issue is further complicated by our limited resources. The U.S. Small Business Administration faced a similar issue regarding the statute of limitations for pandemic-related fraud in the Paycheck Protection Program and Economic Injury Disaster Loan programs. To address those concerns, Congress passed legislation to extend associated statutes of limitations.

Congress could likewise act to extend the statute of limitations for fraud associated with pandemic-related UI programs to help ensure investigators and prosecutors have time to effectively pursue and hold accountable those who defrauded the UI programs during the pandemic. To do so,

Legislative Recommendations

Congress would likely have to extend the applicable statute of limitations for those pandemic-related UI programs that have been defrauded before it expires. With an extension of the statute of limitations, and appropriate resources, the OIG could continue to vigorously pursue those who defrauded pandemic UI programs, particularly by means of large-scale identity theft schemes.

Allow DOL and the OIG Access to UI Claimant Data and Wage Records

In addition to the authority provided by the Inspector General Act of 1978, as amended, Congress should consider legislative action that would specifically authorize DOL and the OIG to have ongoing, timely, and complete access to State Workforce Agencies' (SWA) UI claimant data and wage records for our respective oversight responsibilities. The Department has stated that—outside of revising the existing regulations through notice and comment rulemaking—it lacks the authority to require SWAs to provide the OIG with access to UI claimant data and wage records except when the OIG is conducting an investigation into a particular instance of suspected UI fraud.

In addition to the authority provided by the Inspector General Act of 1978, as amended, Congress should consider legislative action that would specifically authorize DOL and the OIG to have ongoing, timely, and complete access to State Workforce Agencies' (SWA) UI claimant data and wage records for our respective oversight responsibilities.

The Inspector General Act of 1978, as amended, authorizes the Inspector General's access to information related to the Department's programs and operations, unless Congress enacts a law that expressly refers to the Inspector General and limits the Inspector General's right of access. Despite the OIG's statutory authority to access all information available to the Department, the Department has taken the position that—outside of revising the existing regulations through notice and comment rulemaking—it lacked the authority to require SWAs to provide UI data to the OIG for all purposes authorized under the Inspector General Act of 1978. The Department has not provided the OIG support for their position that the Inspector General's access is limited in this manner. Furthermore, in our June 2021 alert memorandum,⁴⁶ we recommended that the Employment and Training Administration (ETA) amend its regulations⁴⁷ to reinforce that SWAs' UI information must be provided to the OIG for all Inspector General engagements authorized under the Inspector General Act of 1978, as amended, including audits, evaluations, and investigations.

⁴⁶ Alert Memorandum: The Employment and Training Administration Needs to Issue Guidance to Ensure State Workforce Agencies Provide Requested Unemployment Insurance Data to the Office of Inspector General, Report No. 19-21-005-03-315 (June 16, 2021), available at:

<https://www.oig.dol.gov/public/reports/oa/2021/19-21-005-03-315.pdf>

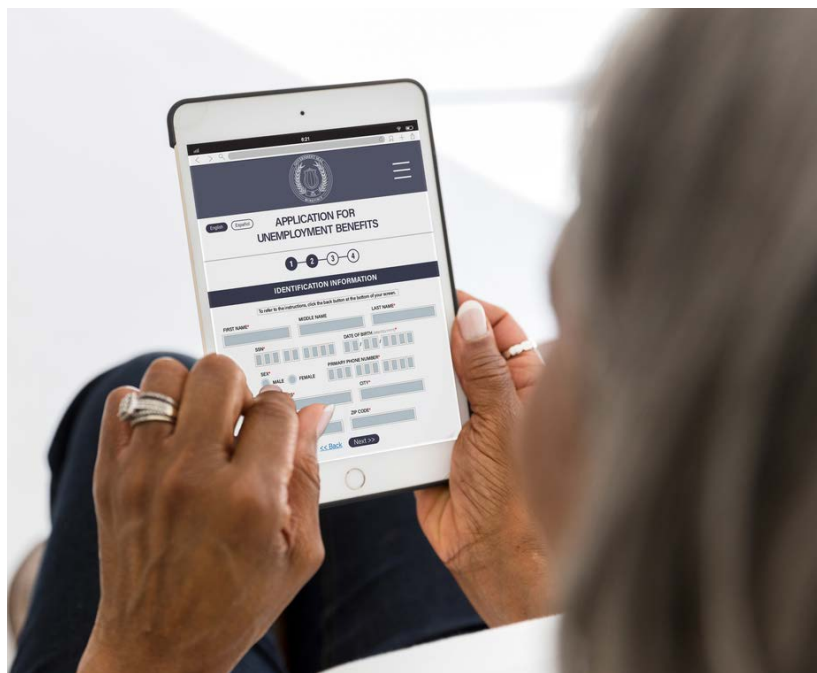
⁴⁷ 20 C.F.R. § 603.5 and 603.6(a)

Legislative Recommendations

These barriers to the OIG’s ongoing, timely, and complete access to data have severely hampered the OIG’s ability to oversee the UI program. To overcome this and effectively oversee UI benefits provided in response to the pandemic, the OIG issued multiple Inspector General subpoenas to all SWAs seeking UI claimant data. OIG data scientists then had to ensure the data was complete, consistent, and in a common format to analyze and identify potential fraud and programmatic weaknesses. The repeated use of Inspector General subpoenas to obtain UI data on a recurring basis was time-consuming and inefficient. Ongoing, timely, and complete access for all OIG engagements would alleviate that time and resource burden and align with the Inspector General Act of 1978, as amended.

In support of the OIG’s oversight activities, the OIG needs access to UI claimant data and wage records from SWAs to verify claimants’ eligibility for UI benefits, including both initial eligibility (and amounts) and continuing eligibility. Timely access to these records will facilitate the OIG’s efforts to identify claimants who are part of large-scale fraud schemes or are receiving benefits improperly due to systemic program weaknesses.

To date, ETA has implemented only temporary solutions. In August 2021, ETA issued guidance requiring SWAs to disclose UI data to the OIG for audits and investigations for the duration of pandemic UI programs. ETA has also required sharing of state UI data with the OIG as a condition of fraud prevention grants. These grants provided access through 2023. Further, according to guidance issued in July 2023, additional grants under the American Rescue Plan Act of 2021 are expected to provide access for the next 2 to 5 years. According to ETA, 52 of 53 SWAs received grants.



Congress should consider legislative action that would specifically authorize DOL and the OIG to have ongoing, timely, and complete access to UI claimant data and wage records for our oversight responsibilities. Ongoing, timely, and complete access to SWA UI claimant data and wage records would further enable the OIG to quickly identify largescale fraud and expand its current efforts to share emerging fraud trends with ETA and states to strengthen the UI program and deter fraud. Further, this action would assist the Department in its programmatic oversight responsibilities to identify weak controls and improper payments in the UI program.

Legislative Recommendations

To underscore this point, based on the data obtained by the OIG, our auditors, investigators, and data scientists collaboratively identified \$46.9 billion dollars in potential fraud paid in six specific high-risk areas, such as to children under 14 and deceased persons.⁴⁸ The OIG has shared its methodology and underlying data for these six high-risk areas with DOL for further dissemination to SWAs. This information allows the Department and SWAs to analyze concerning claims and to strengthen controls to detect and deter future fraud. The OIG was further able to recommend programmatic changes to put billions in federal funds to better use. Conducting data analytics from such access would further enable our auditors to identify program weaknesses and recommend corrective actions that would improve the timeliness of UI benefit payments and the integrity of the UI program.

Authorize OIG Participation in Asset Forfeiture Funds to Combat UI Fraud and Other Crimes

Legislative authority in the area of asset forfeiture would increase the OIG's ability to effectively and efficiently investigate UI fraud and other crimes and to recover fraudulently obtained funds.⁴⁹ Asset forfeiture is a critical legal tool that serves a number of compelling law enforcement purposes. It is designed to deprive criminals of the proceeds of their crimes, to break the financial backbone of organized criminal syndicates, and to recover property that may be used to compensate victims and deter criminal activity.

Currently, the OIG is not a participant in the U.S. Department of the Treasury Forfeiture Fund or the U.S. Department of Justice (DOJ) Asset Forfeiture Fund. The lack of authority to participate limits the OIG's ability to effectively recover proceeds of UI fraud and other crimes under the OIG's jurisdiction. Statutory authority to seize and forfeit illicit funds would allow the OIG to participate in the U.S. Department of the Treasury Forfeiture Fund and the DOJ Asset Forfeiture Fund, thus enabling the OIG to better combat UI fraud and other crimes in the future.

Enact the UI Integrity Legislative Proposals

The OIG encourages Congress to consider and adopt key DOL proposals to aid the Department's efforts to combat improper payments in the UI program. In its Fiscal Year (FY) 2025 Congressional

48 Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program, Report No. 19-23-012-03-315 (September 25, 2023), available at: <https://www.oig.dol.gov/public/reports/oa/2023/19-23-012-03-315.pdf>

49 According to the FBI, "Asset forfeiture entails a legal process whereby the ownership of an asset is removed from individuals because they used it illegally, received or derived it from illicit activity, or employed it to facilitate a crime. The vesting of title with the government follows a civil, criminal, or administrative proceeding." FBI, Law Enforcement Bulletin, "Asset Seizure and Forfeiture: A Basic Guide," (August 10, 2016), available at: <https://leb.fbi.gov/articles/featured-articles/asset-seizure-and-forfeiture-a-basic-guide>

Legislative Recommendations

Budget Justification,⁵⁰ the Department proposed provisions designed to provide new and expanded tools and controls for states to help ensure workers are properly paid and to prevent improper payments, including fraud, in the UI system.

The Department stated that the proposals collectively would result in savings of more than \$3 billion over the 10-year budget window. These are similar to DOL proposals included in prior DOL budget requests that would help address UI program integrity and the high improper payment rates in the UI program. These proposals include the following:

- require SWAs to cross-match UI claims against the National Directory of New Hires;
- require SWAs to cross-match UI claims with a system(s)...that contains information on individuals who are incarcerated;
- require states to disclose information to the OIG;
- allow SWAs to retain up to 5 percent of recovered fraudulent UI overpayments for program integrity use;
- require SWAs to use [UI] penalty and interest collections solely for UI administration; and
- permit the Department to collect and store states' UI claimant data.

These legislative proposals are consistent with previous OIG reporting to improve the UI program. To maintain UI program integrity, the OIG has recommended establishing legislation that requires SWAs to cross-match high-risk areas, such as UI benefits paid to individuals with Social Security numbers filed in multiple states and belonging to deceased persons.

Provide Authority to Ensure the Integrity of the H-1B Program

If DOL is to have a meaningful role in the foreign labor certification process for H-1B specialty occupation visas, it must have the statutory authority to ensure the integrity of that process. This authority should include the ability to verify the accuracy of information provided on labor condition applications and to initiate its own H-1B investigations more broadly.

Currently, unlike H-2A and H-2B investigations, DOL's authority to investigate H-1B employers is limited and typically requires a complaint by an aggrieved party. In the absence of such a complaint, with limited exceptions, DOL may only initiate its own H1B investigations if the Secretary (or Acting Secretary) personally certifies there is reasonable cause to believe the employer is not in compliance. Even assuming that such personal certification is obtained, the scope of Secretary-certified investigations is limited. These investigations are restricted to willful, pattern- or practice-, or substantial violations of the Labor Condition Application

⁵⁰ DOL FY 2025 Congressional Budget Justification, ETA, State Unemployment Insurance and Employment Service Operations, available at: <https://www.dol.gov/sites/dolgov/files/general/budget/2025/CBJ-2025-V1-07.pdf>

Legislative Recommendations

requirements regarding prevailing wage and benefits, working conditions, labor disputes, and notification of applications.

Additionally, such an investigation must be conducted under specific procedures and may only be initiated for reasons other than completeness and obvious inaccuracies by the employer in complying with H-1B requirements. A notice also must be provided to the employer to allow a rebuttal of the allegations before the investigation begins.

Our concern with the Department's limited ability to ensure the integrity of the certification process is heightened by the results of OIG audits and investigations showing that the program is susceptible to significant fraud and abuse, particularly by employers and attorneys. For example, some staffing companies utilize the H-1B program without having scheduled jobs already lined up. Some employers and attorneys misrepresent their need for workers to DOL, then reassign the extra workers to other companies or require foreign workers to find their own work. There have also been instances when companies illegally generated profits by requiring foreign workers to pay fees and recurring payments to secure H-1B visas.

Some employers and attorneys misrepresent their need for workers to DOL, then reassign the extra workers to other companies or require foreign workers to find their own work. There have also been instances when companies illegally generated profits by requiring foreign workers to pay fees and recurring payments to secure H-1B visas.

Without statutory authority, the Department generally cannot verify employers' attestations to H-1B certifications unless a complaint is filed or the Department utilizes a Secretary-initiated investigation. As foreign workers are generally reluctant to file complaints for fear of retaliation and losing their jobs, the Department's process is unlikely to result in verification action being taken.

Amend Pension Protection Laws

Legislative changes to the Employment Retirement Income Security Act of 1974 (ERISA) and criminal penalties for ERISA violations would enhance the protection of assets in pension plans. To this end, the OIG continues to recommend the following legislative actions:

- **Repeal ERISA's limited-scope audit exemption.** This exemption excludes pension plan assets invested in financial institutions, such as banks and savings and loan firms, from audits of employee benefit plans. Notwithstanding recent changes to auditing standards that strengthen limited-scope audits, these audits prevent independent public accountants who are auditing pension plans from rendering an opinion on the plans' financial statements in accordance with professional auditing standards. These "no opinion" audits offer weak assurance of asset integrity either to plan participants or to the Department.

Legislative Recommendations

- **Expand the authority of the Employee Benefits Security Administration to correct substandard benefit plan audits and ensure that auditors with poor records do not perform additional audits.** Changes should include providing the Employee Benefits Security Administration with greater enforcement authority over registration, suspension, and debarment as well as the ability to levy civil penalties against employee benefit plan auditors. The ability to correct substandard audits and take action against auditors is essential because benefit plan audits help protect participants and beneficiaries by ensuring the proper valuation of plan assets and computation of benefits.
- **Require direct reporting of ERISA violations to DOL.** Under current law, a pension plan auditor who finds a potential ERISA violation is responsible for reporting it to the plan administrator, but not directly to DOL. To ensure that improprieties are addressed, we recommend that plan administrators or auditors be required to report potential ERISA violations directly to DOL. This change would ensure the timely reporting of violations and would more actively involve auditors in safeguarding pension assets as a first line of defense against the abuse of workers' pension plans.
- **Strengthen criminal penalties in U.S.C. Title 18.** Three sections of U.S.C. Title 18 serve as the primary criminal enforcement tools for protecting pension plans covered by ERISA. Section 664 sets penalties for embezzlement or theft from employee pension and welfare plans; Section 1027 sets penalties for making false statements in documents required by ERISA; and Section 1954 sets penalties for giving or accepting bribes related to the operation of ERISA-covered plans. Sections 664 and 1027 subject violators to up to 5 years' imprisonment while Section 1954 calls for up to 3 years' imprisonment for violators. The OIG recommends raising the maximum penalty up to 10 years for all three violations to correspond with the 10-year penalty imposed by Section 669 (for theft from health care benefit programs). An increased penalty would serve as a greater deterrent and, consequently, further protect employee pension plans.



Legislative Recommendations

Improve the Integrity of the FECA Program

Legislative reforms should be considered in the following areas to improve the effectiveness and integrity of the Federal Employees' Compensation Act (FECA) program:

- **Provide statutory access to the National Directory of New Hires and Social Security wage records.** Currently, the Department has no direct access to the National Directory of New Hires data and can access Social Security wage information only if the claimant gives it permission. Granting the Department routine access to these databases would aid in detecting fraud committed by individuals receiving FECA wage loss compensation but failing to report income they have earned.
- **Establish a 3-day waiting period at the beginning of the claims process.** FECA legislation provides for a 3-day waiting period, which is intended to discourage the filing of frivolous claims. As currently written, however, the legislation places the waiting period at the end of the 45-day continuation-of-pay period, thereby negating its purpose. Legislation that passed in 2006 placed the waiting period for postal employees immediately after an employment-related injury. If the intent of the law is to ensure a true waiting period before an employee applies for benefits, then that period should likewise come immediately after an employment-related injury—for all federal workers, not exclusively postal employees. This proposal was included in the President's FY 2021 budget as part of the Office of Workers' Compensation Programs' (OWCP) FECA reform.
- **Allow the temporary suspension of medical providers pending the outcome of criminal investigations.** While FECA regulations allow OWCP to exclude a provider through administrative means, OWCP must give notice to the provider and afford the provider an opportunity for a hearing before DOL's Office of Administrative Law Judges. This process and the various procedures involved can be lengthy. Legislative changes are necessary to enable DOL to immediately suspend all medical providers who have been indicted for fraudulent billing practices from providing further medical services and receiving payments. This proposal was included in the President's FY 2021 budget as part of OWCP's FECA reform.



Appendices

Reporting Requirements Under the Following Acts

The Inspector General Act of 1978, as Amended

REPORTING	REQUIREMENT	PAGE
Section 4(a)(2)	Recommendations on existing and proposed legislation and regulations relating to the programs and operations of DOL	79
Section 5(a)(1)	Description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the establishment and associated reports and recommendations for corrective action made by the Office	All
Section 5(a)(2)	Identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation	All
Section 5(a)(3)	Summary of significant investigations closed during the reporting period	35-59
Section 5(a)(4)	Identification of the total number of convictions during the reporting period resulting from investigations	127
Section 5(a)(5)	Information regarding each audit, inspection, or evaluation report issued during the reporting period, including— (A) a listing of each audit, inspection, or evaluation; (B) if applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	94
Section 5(a)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	100
Section 5(a)(7)	Information from the Federal Financial Management Improvement Act Section 804(b) — instances in which an agency has not met intermediate target dates in a remediation plan, and the reasons	None to report
Section 5(a)(8)	Peer review reporting: (A) results of any peer review conducted by another OIG, or (B) a statement identifying the date of the last peer review conducted	129
Section 5(a)(9)	Outstanding peer review recommendations	None to report

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Section 5(a) (10)	Peer reviews conducted by the OIG and recommendations outstanding or not fully implemented	129
Section 5(a) (11)	Statistical tables on investigative findings showing total number of: (A) reports issued; (B) persons referred to the U.S. Department of Justice for prosecution; (C) persons referred to state and local prosecuting authorities; and (D) indictments and criminal informations that resulted from any prior referral to prosecuting authorities	127
Section 5(a) (12)	Metrics used for developing the data for the statistical tables	127
Section 5(a) (13)	Summary of investigations of senior government employees where allegations of misconduct were substantiated, including the facts, circumstances, status, and disposition of the matter	74
Section 5(a) (14)	Description of whistleblower retaliation cases including information about the official found to have engaged in retaliation and what, if any, consequences that establishment imposed to hold that official accountable	75
Section 5(a) (15) and Section 6(c)(2)	Information related to interference by the establishment, including— (A) a detailed description of any attempt by the establishment to interfere with the independence of the Office, including— (i) with budget constraints designed to limit the capabilities of the Office; and (ii) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and (B) a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period	None to report
Section 5(a) (16)	(A) Descriptions of inspections, evaluations, audits, and investigations that are closed and were not disclosed to the public; and (B) Descriptions of investigations conducted by the office involving a senior government employee that are closed and were not disclosed to the public	None to report

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

REPORTING	REQUIREMENT	PAGE
Section 989(C)	Peer review reporting	129

Funds Recommended for Better Use

Funds Put to a Better Use Agreed to by DOL⁵¹

	Number of Reports	Dollar Value (\$ millions)
For which no management decision had been made as of the commencement of the reporting period	4	\$35,900
Issued during the reporting period		\$0
Subtotal	4	\$35,900
For which a management decision was made during the reporting period:		
• Dollar value of recommendations that were agreed to by management	1	\$4,950
• Dollar value of recommendations that were not agreed to by management	0	\$0
For which no management decision had been made as of the end of the reporting period	3	\$30,950

Funds Put to a Better Use Implemented by DOL

	Number of Reports	Dollar Value (\$ millions)
For which final action had not been taken as of the commencement of the reporting period	3	\$39,310
For which management or appeal decisions were made during the reporting period	1	\$4,950
Subtotal	4	\$44,260
For which management decision was made during the reporting period:		
• Dollar value of recommendations that were actually completed	0	\$0
• Dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed	0	\$0
For which no final action had been taken by the end of the reporting period	4	\$44,260

⁵¹ The term “recommendation that funds be put to better use” means a recommendation by the OIG that funds could be used more efficiently or achieve greater program effectiveness if management took actions to implement and complete the recommendation. This term is defined by the Inspector General Act of 1978, as amended, and includes, among other things, reductions in future outlays; deobligation of funds from programs or operations; costs not incurred in the future by implementing recommended improvements related to the operations of the establishment, a contractor, or a grantee; and any other savings specifically identified, including reverting funds to Treasury to be used for other purposes.

Appendices

Questioned Costs

Resolution Activity: Questioned Costs⁵²

	Number of Reports	Questioned Costs (\$ millions)
For which no management decision had been made as of the commencement of the reporting period (as adjusted)	5	\$599
Issued during the reporting period	0	\$0
Subtotal	5	\$599
For which a management decision was made during the reporting period:		
• Dollar value of disallowed costs		
• Dollar value of costs not disallowed	3	\$172.6
For which no management decision had been made as of the end of the reporting period	2	\$426.4
For which no management decision had been made within six months of issuance	0	\$0

Closure Activity: Disallowed Costs⁵³

	Number of Reports	Disallowed Costs (\$ millions)
For which final action had not been taken as of the commencement of the reporting period (as adjusted)	0	\$0
For which management or appeal decisions were made during the reporting period	3	\$172.6
Subtotal	3	\$172.6
For which final action was taken during the reporting period:		
• Dollar value of disallowed costs that were recovered	0	\$0
• Dollar value of disallowed costs that were written off	0	\$0
• Dollar value of disallowed costs that entered appeal status	0	\$0
For which no final action had been taken by the end of the reporting period	3	\$172.6

52 As defined by the Inspector General Act of 1978, as amended, questioned costs include alleged violations of law, regulations, contracts, grants, or agreements; costs not supported by adequate documentation; or the expenditure of funds for an intended purpose that was unnecessary or unreasonable.

53 Disallowed costs are costs that the OIG questioned during an audit as unsupported or unallowable and that the grant/contracting officer has determined the auditee should repay. The Department is responsible for collecting the debts established. The amount collected may be less than the amount disallowed, and monies recovered usually cannot be used to fund other program operations and are returned to Treasury.

Appendices

Final Audit Reports Issued

Report Title; Report Number; Date Issued	Number of Recommendations	Questioned Costs (\$)	Funds Put To Better Use (\$)	Management Decision Made by End of Reporting Period
Bureau of Labor Statistics				
BLS Could Do More to Identify Data Limitations and Increase Transparency; Report No. 17-24-001-11-001; 10/26/23	4	\$0	\$0	Yes
Total (1 Report)				
Employment and Training Administration				
A Review of Pandemic Unemployment Insurance Relief and Its Impact on Six Different U.S. Communities; Report No. 19-24-002-03-315; 03/28/24	0	\$0	\$0	No Response Required
Total (1 Report)				
Mine Safety and Health Administration				
COVID-19: MSHA Did Not Complete or Accurately Report Mandatory Inspections; Report No. 19-24-001-06-001; 10/17/23	11	\$0	\$0	Yes
Total (1 Report)				

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Appendices

Office of the Assistant Secretary for Administration and Management				
Without an IT Modernization Framework, DOL Is Vulnerable to Inadequate Resource Prioritization for Ensuring Security and Availability of DOL Systems; Report No. 23-24-002-07-725; 11/17/23	3	\$0	\$0	No
FY 2023 FISMA DOL Information Security Report: Making Improvements Toward an Effective Program; Report No. 23-24-001-07-725; 12/06/23	3	\$0	\$0	Yes
Total (2 Reports)				
Office of the Chief Financial Officer				
FY 2023 Independent Auditors' Report on DOL's Consolidated Financial Statements; Report No. 22-24-004-13-001; 11/14/23	3	\$0	\$0	Yes
Management Advisory Comments Identified in an Audit of the Consolidated Financial Statements for the Year Ended September 30, 2023; Report No. 22-24-005-13-001; 12/20/23	6	\$0	\$0	Yes
Total (2 Reports)				
Office of Workers' Compensation Programs				
District of Columbia Workmen's Compensation Act Special Fund Financial Statements and Independent Auditors' Report September 30, 2022, and 2021; Report No. 22-24-002-04-432; 10/30/23	1	\$0	\$0	Yes
Longshore and Harbor Workers' Compensation Act Special Fund Financial Statements and Independent Auditors' Report September 30, 2022, and 2021; Report No. 22-24-001-04-432; 10/30/23	1	\$0	\$0	Yes
Special Report Relating to the Federal Employees' Compensation Act Special Benefit Fund September 30, 2023; Report No. 22-24-003-04-431; 11/01/23	0	\$0	\$0	No Response Required
Total (3 Reports)				
Final Audit Total (10 Reports)	32	\$0	\$0	

Appendices

Other Reports

Report Title; Report Number; Date Issued	Number of Recommendations	Management Decision Made by End of Reporting Period
Employment and Training Programs		
Workforce Innovation and Opportunity Act		
Quality Control Review for the Single Audit of the American Association of Retired Persons (AARP) Foundation for the Fiscal Year Ended December 31, 2022; Report No. 24-24-001-50-598; 01/24/24	0	No Response Required
Quality Control Review on the Single Audit of the State of New Mexico Workforce Solutions Department for the Year Ended June 30, 2022; Report No. 24-24-002-50-598; 03/12/24	1	Yes
Total (2 Reports)		
Other Reports Total (2 Reports)	1	

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Unresolved Audit Reports Over 6 Months Old

Agency	Report Title; Report Number; Date Issued	Number of Unresolved Recommendations	Questioned Costs (\$)
Agency Management Decision or Grant/Contracting Officer's Final Determination Did Not Resolve; OIG Negotiating with Agency			
ETA	COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act; Report No. 19-20-008-03-315; 08/07/20	1	\$0
ETA	Alert Memorandum: The Employment and Training Administration Needs to Issue Guidance to Ensure State Workforce Agencies Provide Requested Unemployment Insurance Data to the Office of Inspector General; Report No. 19-21-005-03-315; 06/16/21	2	\$0
ETA	Unemployment Insurance Overpayments Related to Work Search Underscore the Need for More Consistent State Requirements; Report No. 04-21-001-03-315; 09/29/21	1	\$0
ETA	Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 09/21/22	2	\$0
ETA	Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	2	\$0
ETA	COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments, Including Fraud; Report No. 19-23-014-03-315; 09/27/23	1	\$0

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ETA	COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23	1	\$105,100,000
MSHA	MSHA Needs to Provide Better Oversight of Emergency Response Plans; Report No. 05-17-002-06-001; 03/31/17	2	\$0
OASAM	FISMA Fiscal Year 2015: Ongoing Security Deficiencies Exist; Report No. 23-16-002-07-725; 09/30/16	1	\$0
OFCCP	OFCCP Did Not Show It Adequately Enforced EEO Requirements on Federal Construction Contracts; Report No. 04-20-001-14-001; 03/27/20	1	\$0
OSEC	DOL's IT Governance Lacked the Framework Necessary to Support the Overall Mission; Report No. 23-21-002-01-001; 09/30/21	1	\$0
OSHA	COVID-19: OSHA Needs To Do More To Address High Injury Rates of Warehouse Workers; Report No. 19-23-013-10-105; 09/27/23	3	\$0
OWCP	OWCP Did Not Ensure Best Prices and Allowed Inappropriate, Potentially Lethal Prescriptions in the FECA Program; Report No. 03-23-001-04-431; 03/31/23	3	\$321,261,486
Agency Management Decision or Grant/Contracting Officer's Final Determination Not Issued By Close of Period			
Total Nonmonetary Recommendations and Questioned Costs		21	\$426,361,486

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Agency	Report Title; Report Number; Date Issued	Number of Recommendations	Funds Recommended for Better Use (\$)
Agency Management Decision or Grant/Contracting Officer's Final Determination Did Not Resolve; OIG Negotiating with Agency			
ETA	Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 09/21/22	1	\$29,581,490,253
ETA	Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	1	\$1,292,205,723
ETA	COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey; Report No. 19-23-016-03-391; 09/28/23	1	\$100,098,923
Total Funds Recommended for Better Use		3	\$30,973,794,899

Total Audit Exceptions and Questioned Costs	21	\$426,361,486
Total Funds Recommended for Better Use	3	\$30,973,794,899
Total Audit Exceptions, Questioned Costs, and Funds Recommended for Better Use	24	\$31,400,156,385

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Management Decision Made During this Reporting Period on Audits, Inspections, or Evaluations Issued during a Previous Reporting Period: Final Audit Reports Issued

Report Title; Report Number; Date Issued	Number of Recommendations	Questioned Costs (\$)	Funds Put to Better Use (\$)	Management Decision Made on Previously Issued Audits
Employment and Training Administration				
Tracking the Department of Labor's Unemployment Insurance Response to Local Communities During the Pandemic; Report No. 19-23-007-03-315; 07/10/23	0	\$0	\$0	No Response Required
ETA Did Not Provide Adequate Oversight of Emergency Administrative Grants; Report No. 19-23-006-03-315; 07/27/23	3	\$136,353,568	\$0	Yes
COVID-19: Audit of State Workforce Agencies' Information Technology Systems Capability in Processing Unemployment Insurance Claims; Report No. 19-23-008-03-315; 09/19/23	0	\$0	\$0	No Response Required
COVID-19: Unemployment Relief for Governmental Entities and Nonprofit Organizations Should Have Been Better Managed; Report No. 19-23-010-03-315; 09/21/23	3	\$29,074,061	\$0	Yes

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COVID-19: ETA Can Improve Its Oversight to Ensure Integrity over CARES Act UI Programs; Report No. 19-23-011-03-315; 09/22/23	3	\$0	\$0	Yes
Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	3	\$0	\$1,292,205,723	Yes
COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments, Including Fraud; Report No. 19-23-014-03-315; 09/27/23	3	\$0	\$0	Yes
COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23	8	\$105,100,000	\$4,948,811,006	Yes
COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey; Report No. 19-23-016-03-391; 09/28/23	7	\$7,165,040	\$100,098,923	Yes
Total (9 Reports)				
Occupational Safety and Health Administration				
COVID-19: OSHA Needs to Strengthen Its Process for Awarding Future Emergency Supplemental Funds to State Plans; Report No. 19-23-009-10-105; 08/30/23	2	\$0	\$0	Yes
COVID-19: OSHA Needs To Do More to Address High Injury Rates of Warehouse Workers; Report No. 19-23-013-10-105; 09/27/23	7	\$0	\$0	Yes
Total (2 Reports)				

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Office of the Assistant Secretary for Administration and Management				
Memorandum: U.S. Department of Labor's Purchase and Travel Card Risks Assessed as Low and Moderate; Report No. 22-23-007-50-598; 08/30/23	0	\$0	\$0	No Required Response
Total (1 Report)				
Office of the Chief Financial Officer				
The U.S. Department of Labor Did Not Meet the Requirement for Compliance with the Payment Integrity Information Act for Fiscal Year 2022; Report No. 22-23-006-13-001; 6/9/23	3	\$0	\$0	Yes
Total (1 Report)				
Office of Workers' Compensation Programs				
Service Auditors' Report on the Integrated Federal Employees' Compensation System; Service Auditors' Report on Optum Workers' Compensation and Auto No-Fault Retail Pharmacy Network Services System; and Service Auditors' Report on the U.S. Department of Labor Workers' Compensation Medical Bill Processing System; Report No. 22-23-008-04-431; 09/20/23	0	\$0	\$0	No Response Required
Total (1 Report)				
Final Audit Total (14 Reports)	42	\$277,692,669	\$6,341,115,652	

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Management Decision Made During this Reporting Period on Audits, Inspections, or Evaluations Issued during a Previous Reporting Period: Other Reports Issued

Report Title; Report Number; Date Issued	Number of Recommendations	Management Decision Made by End of Reporting Period
Employment and Training Programs		
Workforce Innovation and Opportunity Act		
Quality Control Review for the Single Audit of the Puerto Rico Department of Economic Development and Commerce for the Fiscal Year Ended June 30, 2021; Report No. 24-23-004-50-598; 09/19/23	0	No Response Required
Quality Control Review for the Single Audit of South Carolina Department of Employment Workforce for the Year Ended June 30, 2021; Report No. 24-23-003-50-598; 09/26/23	7	Yes
Quality Control Review for the Single Audit of the Center for Workforce Inclusion, Inc., for the Fiscal Year Ended June 30, 2022; Report No. 24-23-005-50-598; 09/27/23	0	No Response Required
Total (3 Reports)		
Other Reports Total (3 Reports)	7	

Corrective Actions Taken by the Department

During this reporting period, we took final action to close recommendations within reports based on corrective action taken by the Department. The following is a summary of the most significant actions.

COVID-19: ETA and States Did Not Protect Pandemic-Related UI Funds from Improper Payments Including Fraud or From Payment Delays; Report No. 19-22-006-03-315; 09/30/22

On March 27, 2020, under the CARES Act, Congress provided expanded UI benefits to workers who were unable to work as a direct result of the COVID-19 pandemic. The expanded benefits required ETA to oversee states' implementation of major changes to the UI system. Our audit found that states prioritized expediency over safeguards. For example, four states we sampled did not perform required procedures to determine eligibility.

These four states were not alone in suspending eligibility and payment controls. In our survey, 77 percent of responding states indicated they had used benefit payment control staff to process payments, and 54 percent of responding states indicated they had temporarily suspended payment integrity functions to pay claimants faster. We determined that states not performing eligibility testing was one of four causes attributing to states paying historic levels of improper payments. As a result, we recommended that ETA⁵⁴ require states to have written policies and procedures, which apply lessons learned during the COVID-19 pandemic, to ensure eligibility testing and Benefit Payment Control procedures continue during emergencies or other times of increased claims volume.

In response to our audit, ETA issued Unemployment Insurance Program Letter No. 1123 on July 13, 2023, stating that required program integrity functions cannot be suspended in future mass layoff events without explicit statutory authorization. Furthermore, ETA reiterated to the states the importance of conducting these program integrity functions.

COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments, Including Fraud; Report No. 19-23-014-03-315; 09/27/23

The PUA program extended UI benefits to individuals who were not traditionally eligible, including self-employed workers, independent contractors, those with limited work history, and others. ETA is

⁵⁴ ETA refers to either the former Assistant Secretary, Principal Deputy Assistant Secretary, or Acting Assistant Secretary.

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responsible for providing direction and oversight of the UI program. Prior to the COVID-19 pandemic, little was known about the effectiveness of states in providing assistance to non-traditional UI claimants. Our audit found that 10.8 percent of PUA claims submitted by states to the OIG exhibited potentially fraudulent activity, including instances of benefits paid to individuals with Social Security numbers used to file UI claims in multiple states or of deceased persons. While these indicators do not measure the full extent of PUA fraud, they indicate the program's vulnerability. Consequently, we recommended that ETA⁵⁵ issue guidance to states on the criminal statute of limitations for pandemic-related UI fraud, urging prompt referral of cases for investigation and emphasizing the importance of cooperation between states and law enforcement agencies.

In response to our audit, ETA published Training and Employment Notice 12-23 on December 1, 2023, to remind states of the statute of limitations for federal prosecution of UI fraud and to encourage states to submit timely referrals of COVID-19 pandemic era UI fraud cases to the OIG.

Memorandum — COVID-19: ETA Can Improve its Oversight to Ensure Integrity over CARES Act UI Programs; Report No. 19-23-011-03-315; 09/22/23

The memorandum alerted ETA management to three matters relating to the National Association of State Workforce Agencies (NASWA) that required attention. These matters resulted from our audit of ETA's oversight of UI integrity for three key CARES Act programs: PUA, FPUC, and PEUC. ETA needed to improve its oversight of NASWA's Integrity Data Hub (IDH), a centralized platform that brings state workforce agencies together to compare and analyze UI claims data for enhanced detection and prevention of UI fraud and improper payments.

First, we found that ETA did not ensure that an initial assessment of NASWA's IDH was performed in compliance with federal requirements. Second, we found ETA did not provide documentation it evaluated NASWA's security assessment reports. Last, we found the IDH was less effective at identifying potentially improper multistate claims when compared to the OIG's data. Consequently, we recommended the Acting Assistant Secretary for Employment and Training determine the best threshold for flagging multistate claims in conjunction with NASWA.

In response to the last matter raised in our memorandum, ETA, in collaboration with NASWA, determined the best threshold for flagging multistate claims. Specifically, ETA worked with the UI Integrity Center to expand IDH's capabilities to identify and flag multistate claims using a threshold that reduces potential false positives and ranks the multistate claims as high priority.

⁵⁵ ETA refers to either the former Assistant Secretary, Principal Deputy Assistant Secretary, or Acting Assistant Secretary.

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COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21

DOL and states struggled to implement three key new UI programs that posed the greatest risk for fraud, waste, and abuse: PUA, FPUC, and PEUC under the CARES Act. The expanded UI benefits required ETA to implement major changes to the existing UI system. Our audit found states with updated IT systems implemented CARES Act UI programs more efficiently than states without modernized IT systems. Consequently, we recommended ETA⁵⁶ assess the technological needs of the UI programs. Specifically, we recommended an assessment to determine the: (1) capabilities that need to be upgraded or replaced, (2) features necessary to effectively respond to rapid changes in the volume of claims in times of emergency or high unemployment, (3) capabilities needed to ensure effective and equitable delivery of benefits, and (4) capabilities to minimize fraudulent activities.

In response to our audit, ETA engaged the U.S. Digital Service to work with states on an assessment initiative to inform future IT improvements with an initial meeting held in June 2021. As of November 2023, 36 states had participated in the Department's Tiger Teams initiative.

According to ETA, Tiger Team analyses of states' systems and processes resulted in a better understanding of common processes and technological opportunities and trends. Findings included the need for: enhancing mobile-friendly technology, leveraging the use of dynamic fact-finding tools, implementing Robotic Process Automation and Optical Character Recognition, improving claims status tracking, and ensuring both in person and online identity-proofing solutions. In turn, these findings directly informed the Department's Office of Unemployment Insurance Modernization's IT modernization strategies.

COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act; Report No. 19-20-008-03-315; 08/07/20

Past audits of expansion of the UI program revealed that ETA did not adequately ensure proper controls were in place to protect funds and ensure they were paid to eligible claimants. More than \$888 billion in total federal and state UI benefits were paid for benefit weeks during the UI pandemic period. With the historic increase in costs for the program, ETA's oversight was critical to ensure that funds were protected from fraud, waste, or abuse.

Our audit found that, despite OMB Circular A-123 requiring the inclusion of all payments in improper payment estimates, ETA did not measure the accuracy of payments in the CARES Act UI programs. By excluding these temporary programs from its Benefit Accuracy Measurement (BAM) program,

⁵⁶ ETA refers to either the former Assistant Secretary, Principal Deputy Assistant Secretary, or Acting Assistant Secretary.

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ETA risked materially underestimating UI improper payments for fiscal years 2020 and 2021. As a result, we recommended that ETA⁵⁷ include CARES Act UI transactions in the BAM or develop an alternative methodology to reliably estimate improper payments for those programs.

In response to our audit, ETA estimated improper payments for CARES Act UI programs. In December 2021, ETA applied the BAM improper payment rate estimates from its permanent UI programs to the temporary FPUC and PEUC programs because, according to ETA officials, the programs' claims processes and eligibility requirements were similar. For the PUA program, ETA designed an alternate methodology to BAM by testing 2,540 sampled cases from 26 states to develop a national improper payment rate. On August 21, 2023, ETA published its PUA Improper Payment Report, which cited a PUA improper payment rate estimate of 35.9 percent. Although not yet verified, ETA's development of a PUA improper payment rate addressed a crucial OIG recommendation.

COVID-19: OSHA's Enforcement Activities Did Not Sufficiently Protect Workers from Pandemic Health Hazards; Report No. 19-23-001-10-105; 10/31/22

The COVID-19 pandemic presented OSHA with significant worksite enforcement and inspection challenges in its operations and efforts to safeguard workers. We found OSHA's enforcement activities did not sufficiently protect workers from COVID-19 health hazards because OSHA: (1) did not issue citations to enforce the standard for recording and reporting occupational injuries and illnesses in 15 percent of sampled fatality inspections, (2) lacked complete information on COVID-19 infection rates at worksites, and (3) closed inspections without ensuring it had received and reviewed all items requested from employers to demonstrate alleged COVID-19 health hazards had been mitigated.

These issues occurred because OSHA had not established controls to ensure citations were issued or to document the rationale; did not require employers to report all COVID-19 cases among workers; and did not have a tool to ensure it received and reviewed all requested documentation prior to closing inspections. As a result, there was a heightened risk that workers suffered unnecessary exposure to the virus. Consequently, we recommended that the Assistant Secretary for Occupational Safety and Health provide additional training to Compliance Safety and Health Officers to enforce the recording and reporting standard for fatalities.

In response to our audit, OSHA's Directorate of Technical Support and Emergency Management and Office of Training and Education developed Course 1908 - OSHA Recordkeeping for Compliance Officers. The course is a recordkeeping and reporting webinar to train Compliance Safety and Health Officers on OSHA's requirements for the recording of work-related fatalities, injuries, and illnesses that meet its recording criteria. The webinar also covers OSHA's reporting requirements for work-related fatalities, in-patient hospitalizations, amputations, losses of eye, and infectious diseases such as tuberculosis.

⁵⁷ ETA refers to either the former Assistant Secretary, Principal Deputy Assistant Secretary, or Acting Assistant Secretary.

Unimplemented Recommendations

During this reporting period, there were 8 instances of audits or evaluations provided to the Department for comment that were not responded to within 60 days. Management decisions were received in response to all audits and evaluations issued before the commencement of this reporting period.

From October 1, 2011, through September 30, 2023, the OIG made 1,810 audit recommendations, of which 169 have not been fully implemented. These 169 recommendations include 136 recommendations resulting from audits issued since the end of FY 2020, and, in many cases, the corrective action plans are in place.

RECOMMENDATIONS MADE PRIOR TO OCTOBER 1, 2023, NOT YET IMPLEMENTED

Fiscal Year	Total Number of Recommendations Made	Unimplemented Recommendations	
		Total Number	Monetary Impact (\$)
2011	319	6	\$0
2012	213	0	\$0
2013	195	0	\$0
2014	128	1	\$0
2015	163	1	\$0
2016	100	1	\$0
2017	112	8	\$0
2018	98	1	\$0
2019	84	15	\$0
2020	105	10	\$0
2021	133	40	\$39,311,226,638
2022	67	22	\$29,581,490,253
2023	93	64	\$6,940,069,807
Total	1,810	169	\$75,832,786,698

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High-Priority Unimplemented Recommendations

The following table summarizes the unimplemented recommendations the OIG considers to be the highest priorities for the Department.

Report Title; Report Number; Date Issued	Unimplemented Recommendation(s)
Unemployment Insurance Benefits	
COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act; Report No. 19-20-008-03-315; 08/07/20	Issue guidance directing states to provide access to state UI claimant data to prevent and detect fraud.
Alert Memorandum: The Employment and Training Administration (ETA) Needs to Ensure State Workforce Agencies (SWA) Implement Effective Unemployment Insurance Program Fraud Controls for High Risk Areas; Report No. 19-21-002-03-315; 02/22/21	Establish effective controls, in collaboration with SWAs, to mitigate fraud and other improper payments to ineligible claimants, including the areas identified in the memorandum: UI benefits paid to multistate claimants, claimants who used the Social Security numbers of deceased individuals, potentially ineligible federal inmates, and claimants with suspicious email accounts. Effective controls will help prevent similar or greater amounts of fraud and allow those funds to be put to better use; Work with Congress to establish legislation requiring SWAs to cross-match high-risk areas, including the four areas identified in the memorandum.
COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21	Continue to work with states to develop, operate, and maintain a modular set of technological capabilities to modernize the delivery of UI benefits that is sufficient to manage and process sudden spikes in claims volume during emergencies or high unemployment.

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Alert Memorandum: The Employment and Training Administration Needs to Issue Guidance to Ensure State Workforce Agencies Provide Requested Unemployment Insurance Data to the Office of Inspector General; Report No. 19-21-005-03-315; 06/16/21	Amend 20 C.F.R. 603.5 and 603.6(a) through the rulemaking process to reinforce that UI information must be provided to DOL OIG for all IG engagements authorized under the IG Act, including audits, evaluations, and investigations.
Alert Memorandum: The Employment and Training Administration Does Not Require the National Association of State Workforce Agencies to Report Suspected Unemployment Insurance Fraud Data to the Office of Inspector General or the Employment and Training Administration; Report No. 19-21-006-03-315; 07/01/21	Take immediate action to require the National Association of State Workforce Agencies to refer information to ETA and the OIG on suspected fraud, waste, abuse, mismanagement, or misconduct, per Department of Labor Manual Series (DLMS) 8-106(D)(3). Such actions could include modification of ETA's grant award or issuance of unemployment insurance program policy guidance to ensure ETA complies with the notice requirement and its grantees comply with the reporting requirements of the DLMS.
Alert Memorandum: The Employment and Training Administration Needs to Ensure State Workforce Agencies Report Activities Related to CARES Act Unemployment Insurance Programs; Report No. 19-22-004-03-315; 08/02/22	Continue to identify states that have not complied with ETA's reporting requirements for CARES Act UI programs and work with them to ensure missing reports and information are submitted before commencement of the Department's FY 2022 financial statement audit; Verify the accuracy of reports that cite no activity and ensure corrections are made where warranted.

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Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 9/21/22	Implement immediate measures to ensure SWAs are required to provide ongoing access to the OIG by amending its current guidance to require disclosures to the OIG for audits and investigations as necessary, mandatory, and without time limitation for the proper oversight of the UI program; Expedite OIG-related amendments to 20 C.F.R. § 603.6(a) to make ongoing disclosures of UI information to DOL OIG mandatory by expressly adding the U.S. Department of Labor, Office of Inspector General (including its agents and contractors) to the list of required disclosures that are necessary for the proper oversight of the UI program without distinction as to purpose (e.g., audits versus investigations); Expedite OIG-related amendments to 20 C.F.R. § 603.5(i) to expressly make disclosures of UI information to federal officials for oversight, audits, and investigations of federal programs mandatory.
COVID-19: ETA and States Did Not Protect Pandemic-Related UI Funds from Improper Payments Including Fraud or from Payment Delays; Report No. 19-22-006-03-315; 09/30/22	Use data collected from monitoring and BAM reports to identify the areas of highest improper payments including fraud and create a plan to prevent similar issues in future temporary UI benefit programs; Work with NASWA to update the IDH Participant Agreement to require state to submit the results of their UI fraud investigations; Work with NASWA to ensure the IDH cross matches are effective at preventing the types of fraud that were detected during the pandemic and regularly update using the results of state fraud investigations; Work with the OIG and states to recover the greatest practicable amount of the \$7,092,604 paid to claimants connected to likely fraudulent claims.
ETA Did Not Provide Adequate Oversight of Emergency Administrative Grants; Report No. 19-23-006-03-315; 07/27/23	Specify within its policy the information states must include in their documentation to support compliance with the requirements to receive grant funds prior to disbursement of the funds; Propose to the Office of Management and Budget an amendment to the annually updated Compliance Supplement for single audits to also disclose if states used the emergency administrative grant funds in accordance with applicable requirements in the single audit report; Remedy the \$136,353,568 in questioned costs.

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COVID-19: Unemployment Relief for Governmental Entities and Nonprofit Organizations Should Have Been Better Managed; Report No. 19-23-010-03-315; 09/21/23	Obtain evidence from the states to ensure all refunds and credits under the EURGENO program have been provided to entitled employers; Work with states to reconcile remaining funds in state accounts; Determine the proper disposition of excess funds provided to states under the EURGENO program; and Take necessary actions, including the recovery of questioned costs.
Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	Obtain direct access to unemployment insurance claims data from all State Workforce Agencies; Create an integrity program that incorporates a data analytics capability and regularly monitors state unemployment insurance claims data to detect and prevent improper payments, including fraudulent payments, and to identify trends and emerging issues that could negatively impact the unemployment insurance program.
COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments Including Fraud; Report No. 19-23-014-03-315; 09/27/23	Work with Congressional stakeholders to inform them of the urgency of the statute of limitations concerning pandemic-related UI fraud.
COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23	Work with Oregon, Louisiana, Delaware, and Mississippi to ensure the appropriate return of approximately \$105.1 million in TFFF reimbursements for first-week regular UI compensation paid that were associated with ineligible weeks; Establish a deadline by which states are required to perform a timely review of past drawdowns and provide evidence that drawdowns were for reimbursement of eligible first-week regular UI compensation paid by the state for claim weeks that fell within the TFFF program period; Ensure that any state drawdowns of the remaining almost \$5 billion in TFFF funds are only for the reimbursement of first-week regular UI compensation paid by the state that fall within the TFFF program period (March 27, 2020, through September 6, 2021); Establish written procedures and deadlines for the timely return of funding for TFFF and future similar programs and consult with OMB and Treasury officials to execute the proper return of unused funds that remain within states' accounts.

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Worker Safety	
MSHA Needs to Provide Better Oversight of Emergency Response Plans; Report No. 05-17-002-06-001; 03/31/17	Clarify mine operators' responsibilities for local coordination under the Mine Improvement and New Emergency Response (MINER) Act, including coordination and communication between the operator, mine rescue teams, and local emergency response personnel, and familiarizing local rescue personnel with surface functions that may be required in the course of mine rescue work.
MSHA Needs to Improve Efforts to Protect Coal Miners from Respirable Crystalline Silica; Report No. 05-21-001-06-001; 11/12/20	Adopt a lower legal exposure limit for silica in coal mines based on recent scientific evidence; Establish a separate standard for silica that allows MSHA to issue citations and monetary penalty when violations of its silica exposure limit occur; Enhance its sampling program to increase the frequency of inspector samples where needed (e.g., by implementing a risk-based approach).
OSHA's Diminished Enforcement Left More Workers at Risk for Exposure to Silica; Report No. 02-21-003-10-105; 09/29/21	Implement a policy for future emphasis programs that minimizes the lapse in enforcement between canceled, revised, or new programs; Establish meaningful goals and processes to assess whether OSHA's outreach events are achieving the desired results in reaching a targeted number of workers at risk of exposure to silica.
COVID-19: To Protect Mission Critical Workers, OSHA Could Leverage Inspection Collaboration Opportunities with External Federal Agencies; Report No. 19-22-003-10-105; 03/31/22	Develop an OSHA outreach plan to be activated during a large-scale safety and health crises such as the COVID-19 pandemic that (a) identifies external federal agencies with enforcement or oversight personnel who are active on worksites and (b) defines how OSHA will collaborate with those agencies. OSHA should consider incorporating into the plan: a process to identify and document highly visible safety and health hazards for large-scale safety and health crises; a plan for how OSHA will conduct related outreach and training on those hazards and how to refer them to OSHA; and a tracking system for agency referrals and outcomes of those referrals, using that information to periodically inform the outreach plan on areas and types of guidance and training the agencies' oversight and enforcement personnel need; Explore mechanisms to enhance collaboration, such as memorandums of understanding or other written agreements using GAO's seven key features for collaboration, and incorporate a process to utilize those mechanisms into the outreach plan.

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COVID-19: OSHA'S Enforcement Activities Did Not Sufficiently Protect Workers from Pandemic Health Hazards; Report No. 19-23-001-10-105; 10/31/22	As part of OSHA's rulemaking on infectious diseases, require employers to notify all employees of all known positive cases of infectious diseases at the worksite; Develop and implement a tracking tool to ensure OSHA receives and reviews all items CSHOs request during inspections to ensure alleged hazards have been mitigated.
OSHA Needs to Better Address Complaints and Referrals for Increased Worker Safety; Report No. 02-23-001-10-105; 03/06/23	Modify the Field Operations Manual to include a policy for mandatory interviews of complainants and witnesses or document the rationale for lack thereof and provide training to Compliance Safety and Health Officers on the updated requirements.
COVID-19: OSHA Needs to do More to Address High Injury Rates of Warehouse Workers; Report No. 19-23-013-10-105; 09/27/23	Develop specific, measurable inspection goals for the Site-Specific Targeting program, including a baseline for the number of inspections in each Site-Specific Targeting category, and periodically monitor progress toward those goals; Develop a more effective enforcement strategy to improve employer Form 300A compliance; Assess Form 300A data categories and gather more specific supporting information about injuries to better identify the count and type of injuries reported, such as musculoskeletal disorders; Develop specific measurable inspection goals for the warehousing National Emphasis Program, including a baseline for the number of inspections to complete and periodically monitor progress toward those goals. Ensure the goals contain metrics that demonstrate the outcomes of the program.

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Employment and Training Programs	
ETA Did Not Sufficiently Plan and Execute the American Apprenticeship Initiative Grant Program; Report No. 05-21-004-03-375; 09/30/21	Improve funding opportunity announcements (FOA) for discretionary grant programs by: (a) evaluating program goals using the SMART concept or a similar approach, and including required metrics that directly measure the success of each program goal, are clear, and are easily verifiable; (b) having a scoring element covering completeness of applicant proposals for items requested in the announcement that reduces in points when the proposal is missing an element(s), significantly changes the wording of an element(s), or incorrectly addresses an element(s); and (c) identifying targeted occupations in the FOA language and/or scoring elements, or requiring submission of the career pathway to an H-1B occupation as support during apprenticeship program registrations or apprentice registrations.
Employee Benefits	
EBSA Did Not Have the Ability to Protect the Estimated 79 Million Plan Participants in Self Insured Health Plans from Improper Denials of Health Claims; Report No. 05-17-001-12-121; 11/18/16	Reduce or eliminate exemption thresholds for small plans.

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OWCP Did Not Ensure Best Prices and Allowed Inappropriate, Potentially Lethal Prescriptions in the FECA Program; Report No. 03-23-001-04-431; 3/31/23	Implement a process to ensure competitive prices for the FECA program by regularly evaluating alternate pricing methodologies and other sources—including publicly available benchmark price lists, state fee schedules, market research, and comparable payers—and updating its pricing methodology as appropriate; Implement a process to review the effectiveness of policy changes, including: (a) documented assessment of prescription information after any changes in the authorization, approval, and/or adjudication process; and (b) documented solutions for any performance gaps identified during the review, including follow-up testing; Implement an ongoing pharmaceutical monitoring and alert program to identify and closely monitor significant changes in costs, prescribing patterns, utilization, sources, and new and novel prescription drugs; Establish internal controls that identify prescription drugs payment and management issues in near-real-time; Implement a technology solution to perform ongoing prescription-claim-level reviews in near-real-time; Develop and deliver ongoing formal training for staff involved in making pharmaceutical decisions.
Departmental Management	
FISMA Fiscal Year 2015: Ongoing Security Deficiencies Exist; Report No. 23-16-002-07-725; 09/30/16	Realign the organizational structure as it relates to the Chief Information Officer to address organizational independence issues.
FY 2019 FISMA DOL Information Security Report: Implementation of Security Tools Hindered by Insufficient Planning; Report No. 23-20-002-07-725; 12/23/19	Implement improvements in DOL's information security program for the following areas: Configuration Management, and Access Management, Data Protection and Privacy.
DOL Needs to Do More to Secure Employees' Personally Identifiable Information in the Travel Management System; Report No. 23-20-003-13-001; 09/10/20	Establish and implement procedures to ensure E2 Solutions (E2) account management practices enforce DOL's security policies; Establish and implement procedures to ensure E2 is managed in compliance with contractual security requirements and DOL computer security policies for contracted information systems.

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FY 2020 FISMA DOL Information Security Report: Progress Needed to Improve Risk Management and Continuous Monitoring Information Security Controls; Report No. 23-21-001-07-725; 12/22/20	Implement a process for approving deviations from established configuration settings.
DOL's IT Governance Lacked the Framework Necessary to Support the Overall Mission Report; Report No. 23-21-002-01-001; 09/30/21	Reorganize the Chief Information Officer position to have a direct reporting relationship to the Deputy Secretary and independent of ASAM; Ensure the Chief Information Officer is a lead member with voting rights of DOL's executive strategy and management boards and committees, including but not limited to the Management Review Board, Enterprise Shared Services Governance Board, COVID-19 Coordination team, and Enterprise Risk Management Council; Establish an MOU or other agreement between the Office of the Chief Information Officer and all departmental agencies to establish and state the roles and responsibilities of IT between each set of respective agencies; Reassess the incorporation of BLS and OCFO as part of IT Shared Services within 2021, and document the reasoning for the decision reached; Codify the policies and procedures that define IT governance and key supporting IT elements.
FY 2022 FISMA DOL Information Security Report: DOL's Information Security Program Not Remaining Current with Security Requirements; Report No. 23-23-001-07-725; 02/10/23	Update DOL entity-wide and system-level security policies, procedures, and plans to comply with NIST SP 800-53, Rev. 5; Implement proper quality control to ensure change management processes are being performed for all systems and equipment on the DOL network; Implement data loss prevention tools and alerts based on the results of agencies' data exfiltration tests; Verify if systems have been appropriately authorized in accordance with DOL's policy.

Summary of Reports with Unimplemented Recommendations with Cost Savings / Funds Put to Better Use

Report Title; Report Number; Date Issued	Number of Unimplemented Recommendations	Funds Put to Better Use (\$)
Employment and Training Administration		
Alert Memorandum: The Employment and Training Administration (ETA) Needs to Ensure State Workforce Agencies (SWA) Implement Effective Unemployment Insurance Program Fraud Controls for High Risk Areas; Report No. 19-21-002-03-315; 02/22/21 Establish effective controls, in collaboration with SWAs, to mitigate fraud and other improper payments to ineligible claimants, including the areas identified in the memorandum: UI benefits paid to multistate claimants, claimants who used the Social Security numbers of deceased individuals, potentially ineligible federal inmates, and claimants with suspicious email accounts. Effective controls will help prevent similar or greater amounts of fraud and allow those funds to be put to better use.	1	\$5,409,966,198
COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21 Continue to work with states to develop, operate, and maintain a modular set of technological capabilities to modernize the delivery of UI benefits that is sufficient to manage and process sudden spikes in claims volume during emergencies or high unemployment.	1	\$33,745,677,576

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ETA Did Not Sufficiently Plan and Execute the American Apprenticeship Initiative Grant Program; Report No. 05-21-004-03-375; 09/30/21 Improve funding opportunity announcements for discretionary grant programs by conducting the following: Evaluate program goals using the SMART concept or a similar approach, and include required metrics that directly measure the success of each program goal, are clear, and are easily verifiable; have a scoring element covering completeness of applicant proposals for items requested in the announcement that reduces in points when the proposal is missing an element(s), significantly changes the wording of an element(s), or incorrectly addresses an element(s); and identify targeted occupations in the FOA language and/or scoring elements, or require submission of the career pathway to an H-1B occupation as support during apprenticeship program registrations or apprentice registrations	1	\$155,582,864
Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 09/21/22 Expedite OIG-related amendments to 20 C.F.R. § 603.6(a) to make ongoing disclosures of UI information to DOL OIG mandatory by expressly adding the U.S. Department of Labor, Office of Inspector General (including its agents and contractors) to the list of required disclosures that are necessary for the proper oversight of the UI program without distinction as to purpose (e.g., audits versus investigations).	1	\$29,581,490,253
Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23 Establish effective controls, in collaboration with State Workforce Agencies, to mitigate fraud and other improper payments to ineligible claimants in high-risk age categories.	1	\$1,292,205,723

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COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23 Establish written procedures and deadlines for the timely return of funding for TFFF and future similar programs and consult with OMB and Treasury officials to execute the proper return of unused funds that remain within states' accounts.	1	\$4,948,811,006
COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey; Report No. 19-23-016-03-391; 09/28/23 Develop and implement risk tolerance for the amount of participants being served under the WIOA Adult, Youth, and Dislocated Workers program.	1	\$100,098,923
Total	7	\$75,233,832,543

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Reports with Unimplemented Recommendations for Management Improvement or Disallowed Costs Owed

The following table lists all OIG reports issued prior to this semiannual reporting period with recommendations that have not yet been fully implemented (as of March 31, 2024). For identification of each recommendation made before March 31, 2024, visit our online [Recommendation Dashboard](#).

Report Title; Report Number; Date Issued	Number of Unimplemented Recommendations	Unimplemented or Disallowed Costs Owed
Employee Benefits Security Administration		
Limited-Scope Audits Provide Inadequate Protections to Retirement Plan Participants; Report No. 05-14-005-12-121; 09/30/14	1	\$0
EBSA Did Not Have the Ability to Protect the Estimated 79 Million Plan Participants in Self-Insured Health Plans from Improper Denials of Health Claims; Report No. 05-17-001-12-121; 11/18/16	1	\$0
Employment and Training Administration		
Investigative Advisory Report – Weaknesses Contributing to Fraud in the Unemployment Insurance Program; Report No. 50-15-001-03-315; 07/24/15	1	\$0
ETA Violated the Bona Fide Needs Rule and the Antideficiency Act; Report No. 26-17-002-03-370; 09/21/17	1	\$0
COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES Act; Report No. 19-20-008-03-315; 08/07/20	1	\$0

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Alert Memorandum: The Employment and Training Administration (ETA) Needs to Ensure State Workforce Agencies (SWA) Implement Effective Unemployment Insurance Program Fraud Controls for High-Risk Areas; Report No. 19-21-002-03-315; 02/22/21	1	\$0
COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs; Report No. 19-21-004-03-315; 05/28/21	1	\$0
Alert Memorandum: The Employment and Training Administration Needs to Issue Guidance to Ensure State Workforce Agencies Provide Requested Unemployment Insurance Data to the Office of Inspector General; Report No. 19-21-005-03-315; 06/16/21	3	\$0
Alert Memorandum: The Employment and Training Administration Does Not Require the National Association of State Workforce Agencies to Report Suspected Unemployment Insurance Fraud Data to the Office of Inspector General or the Employment and Training Administration; Report No. 19-21-006-03-315; 07/01/21	1	\$0
Unemployment Insurance Overpayments Related to Work Search Underscore the Need for More Consistent State Requirements; Report No. 04-21-001-03-315; 09/29/21	3	\$0
ETA Did Not Sufficiently Plan and Execute the American Apprenticeship Initiative Grant Program; Report No. 05-21-004-03-375; 09/30/21	3	\$0
COVID-19: Safety and Remote Learning Challenges Continue for Job Corps; Report No. 19-22-001-03-370; 11/12/21	1	\$0
Alert Memorandum: The ETA Needs to Ensure SWAs Report Activities Related to CARES Act UI Programs; Report No. 19-22-004-03-315; 08/02/22	2	\$0
Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion; Report No. 19-22-005-03-315; 09/21/22	2	\$0
COVID-19: ETA and States Did Not Protect Pandemic Related UI Funds from Improper Payments, Including Fraud or from Payment Delays; Report No. 19-22-006-03-315; 09/30/22	4	\$0

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Quality Control Review: Single Audit of AARP Foundation for the Year Ended December 31, 2021; Report No. 24-22-004-50-598; 09/30/22 ⁵⁸	2	\$0
Quality Control Review of the Single Audit of State of New Mexico Workforce Solutions Department for the Year Ended June 30, 2021; Report No. 24-23-001-50-598; 03/07/23 ⁵⁸	2	\$0
Quality Control Review of South Carolina Department of Employment Workforce's Single Audit; Report No. 24-23-003-50-598; 09/26/23 ⁵⁸	7	\$0
ETA Did Not Provide Adequate Oversight of Emergency Administrative Grants; Report No. 19-23-006-03-315; 07/27/23	3	\$136,353,568
COVID-19: Unemployment Relief for Governmental Entities and Nonprofit Organizations Should Have Been Better Managed; Report No. 19-23-010-03-315; 09/21/23	3	\$29,074,061
COVID-19: ETA Can Improve Its Oversight to Ensure Integrity over CARES Act UI Programs; Report No. 19-23-011-03-315; 09/22/23	2	\$0
Alert Memorandum: ETA Needs to Incorporate Data Analytics Capability to Improve Oversight of the Unemployment Insurance Program; Report No. 19-23-012-03-315; 09/25/23	2	\$0
COVID-19: Pandemic Unemployment Assistance for Non-Traditional Claimants Weakened by Billions in Overpayments, Including Fraud; Report No. 19-23-014-03-315; 09/27/23	2	\$0
COVID-19: ETA Needs a Plan to Reconcile and Return to the U.S. Treasury Nearly \$5 Billion Unused by States for a Temporary Unemployment Insurance Program; Report No. 19-23-015-03-315; 09/28/23	6	\$105,100,000
COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey; Report No. 19-23-016-03-391; 09/28/23	4	\$7,165,040

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⁵⁸ The QCR Single Audit Report recommendations are addressed to the accounting firm; however, ETA funds the grant and are copied during report issuance. Hence the addition to the ETA section of the table. The accounting firm will address the recommendations.

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Mine Safety and Health Administration		
MSHA Needs to Provide Better Oversight of Emergency Response Plans; Report No. 05-17-002-06-001; 03/31/17	6	\$0
MSHA Can Improve Its Pre-Assessment Conferencing Program; Report No. 05-19-001-06-001; 09/23/19	9	\$0
MSHA Needs to Improve Efforts to Protect Coal Miners from Respirable Crystalline Silica; Report No. 05-21-001-06-001; 11/12/20	3	\$0
MSHA Can Improve How Violations Are Issued, Terminated, Modified, and Vacated; Report No. 05-21-002-06-001; 03/31/21	9	\$0
Office of the Assistant Secretary for Administration and Management		
Ineffective Accounting for Sensitive Information Technology Hardware and Software Assets Places DOL at Significant Risk; Report No. 23-11-001-07-001; 03/31/11	6	\$0
FISMA Fiscal Year 2015: Ongoing Security Deficiencies Exist; Report No. 23-16-002-07-725; 09/30/16	1	\$0
Alert Memorandum: Security Vulnerability Relating to DOL Information Security Property; Report No. 50-19-002-07-725; 06/17/19	2	\$0
FY 2019 FISMA DOL Information Security Report: Implementation of Security Tools Hindered by Insufficient Planning; Report No. 23-20-002-07-725; 12/23/19	5	\$0
FY 2020 FISMA DOL Information Security Report: Progress Needed to Improve Risk Management and Continuous Monitoring Information Security Controls; Report No. 23-21-001-07-725; 12/22/20	2	\$0
FY 2021 FISMA DOL Information Security Report: Information Security Continuous Monitoring Controls Remain Deficient; Report No. 23-22-001-07-725; 01/28/22	5	\$0
FY 2022 DOL Made Progress in Implementing Geospatial Data Act Requirements, But More Needs to Be Done; Report No. 23-22-003-01-001; 09/30/22	3	\$0
FY 2022 FISMA DOL Information Security Report: DOL's Information Security Program Not Remaining Current with Security Requirements; Report No. 23-23-001-07-725; 02/10/23	3	\$0

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Office of the Chief Financial Officer		
DOL Needs To Do More to Secure Employees' Personally Identifiable Information in the Travel Management System; Report No. 23-20-003-13-001; 09/10/20	2	\$0
The U.S. Department of Labor Did Not Meet the Requirements for Compliance with the Payment Integrity Information Act for FY 2022; Report No. 22-23-006-13-001; 06/09/23	3	\$0
Office of Federal Contract Compliance Programs		
OFCCP Did Not Show It Adequately Enforced EEO Requirements on Federal Construction Contracts; Report No. 04-20-001-14-001; 03/27/20	1	\$0
Office of the Secretary		
DOL's IT Governance Lacked the Framework Necessary to Support the Overall Mission; Report No. 23-21-002-01-001; 09/30/21	5	\$0
Occupational Safety and Health Administration		
OSHA Needs to Improve the Guidance for Its Fatality and Severe Injury Reporting Program to Better Protect Workers; Report No. 02-18-203-10-105; 09/13/18	1	\$0
OSHA Procedures for Issuing Guidance Were Not Adequate and Mostly Not Followed; Report No. 02-19-001-10-105; 03/28/19	4	\$0
Review of the Occupational Safety and Health Administration's Referral to and Reclamation of Debt from the U.S. Department of the Treasury; Report No. 22-20-006-10-001; 03/16/20	1	\$0
COVID-19: Increased Worksite Complaints and Reduced OSHA Inspections Leave U.S. Workers' Safety at Increased Risk; Report No. 19-21-003-10-105; 02/25/21	1	\$0
OSHA's Diminished Enforcement Left More Workers at Risk for Exposure to Silica; Report No. 02-21-003-10-105; 09/29/21	2	\$0

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COVID-19: To Protect Mission Critical Workers, OSHA Could Leverage Inspection Collaboration Opportunities with External Federal Agencies; Report No. 19-22-003-10-105; 03/31/22	2	\$0
COVID-19: OSHA's Enforcement Activities Did Not Sufficiently Protect Workers from Pandemic Health Hazards; Report No. 19-23-001-10-105; 10/31/22	4	\$0
OSHA Needs to Better Address Complaints and Referrals for Increased Worker Safety; Report No. 02-23-001-10-105; 03/06/23	3	\$0
OSHA Needs to Strengthen Its Process for Awarding Future Emergency Supplemental Funds to State Plans; Report No. 19-23-009-10-105; 08/30/23	2	\$0
COVID-19: OSHA Needs To Do More To Address High Injury Rates Of Warehouse Workers; Report No. 19-23-013-10-105; 09/27/23	7	\$0
Office of Workers' Compensation Programs		
OWCP Did Not Ensure Best Prices and Allowed Inappropriate, Potentially Lethal Prescriptions in the FECA Program; Report No. 03-23-001-04-431; 03/31/23	8	\$321,261,486
Wage and Hour Division		
COVID-19: The Pandemic Highlighted the Need to Strengthen Wage and Hour Division's Enforcement Controls; Report No. 19-21-008-15-001; 09/30/21	3	\$0
Totals	162	\$598,954,155

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Investigative Statistics

	Division Totals	Total
Investigative Reports Issued / Cases Closed (includes investigative reports issued, case closing reports, and matters referred for possible civil and/or administrative action):		190
Program Fraud	173	
Labor Racketeering	17	
Cases Opened:		170
Program Fraud	160	
Labor Racketeering	10	
Cases Referred for Prosecution (each case is measured as a singular statistic and may include more than one person or business entity):		120
Program Fraud	108	
Labor Racketeering	12	
Cases Referred for Administrative/Civil Action (each case is measured as a singular statistic and may include more than one person or business entity):		64
Program Fraud	64	
Labor Racketeering	0	
Persons Referred to the Department of Justice for Criminal Prosecution (includes the number of individuals and business entities referred for prosecution):		197
Program Fraud	187	
Labor Racketeering	10	
Persons Referred to State and Local Prosecuting Authorities for Criminal Prosecution (includes the number of individuals and business entities referred for prosecution):		36
Program Fraud	32	
Labor Racketeering	4	
Indictments and Criminal Informations That Resulted from Any Prior Referral to Prosecuting Authorities (includes sealed and unsealed indictments):		275
Program Fraud	258	
Labor Racketeering	17	

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Indictments (includes sealed and unsealed indictments):		275
Program Fraud	258	
Labor Racketeering	17	
Convictions:		242
Program Fraud	219	
Labor Racketeering	23	
Statutory Debarments:		1
Program Fraud	1	
Labor Racketeering	0	

Recoveries, Cost-Efficiencies, Restitutions, Fines/ Penalties, Forfeitures, and Civil Monetary Actions:		\$78,413,524.24
Program Fraud	\$77,149,020.51	
Labor Racketeering	\$1,264,503.73	

Recoveries (the dollar amount/value of an agency's action to recover or to reprogram funds or to make other adjustments in response to OIG investigations):	\$1,240,423.48
Cost-Efficiencies (the one-time or per annum dollar amount/ value of management's commitment, in response to OIG investigations, to utilize the government's resources more efficiently):	\$1,107,017.72
Restitutions/Forfeitures (the dollar amount/value of restitutions and forfeitures resulting from OIG criminal investigations):	\$59,328,686.68
Fines/Penalties (the dollar amount/value of fines, assessments, seizures, investigative/court costs, and other penalties resulting from OIG criminal investigations):	\$0
Civil Monetary Actions (the dollar amount/value of forfeitures, settlements, damages, judgments, court costs, and other penalties resulting from OIG criminal investigations):	\$16,737,396.36
Total	\$78,413,524.24

Peer Review Reporting

The following meets the requirement under Section 5(1)(14)(A)–(B) of the Inspector General Act of 1978, as amended, and Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111–203) that the Inspectors General include their peer review results as an appendix to each semiannual report.

Peer Review of the Treasury Inspector General for Tax Administration Inspection and Evaluation Function

DOL-OIG conducted a peer review of the Treasury Inspector General for Tax Administration (TIGTA) inspection and evaluation’s internal policies and procedures and whether reviewed reports generally complied with professional standards for the period ending September 30, 2023. The peer review report issued on March 28, 2024, resulted in an opinion that TIGTA’s policies and procedures, including reviewed reports, generally complied with the seven professional standards reviewed in the conduct of inspections and evaluations.

Peer Review of DOL OIG Inspection and Evaluation Function

The Federal Housing Finance Agency OIG conducted an external peer review to assess the extent to which the DOL-OIG met seven standards in the Council of the Inspectors General on Integrity and Efficiency’s Quality Standards for Inspection and Evaluation (Blue Book), issued January 2012. The peer review report, issued on April 25, 2023, concluded that the DOL-OIG’s policies and procedures and the three reviewed reports were consistent with and complied with the covered Blue Book standards for the period ended September 30, 2022. The report contained no recommendations.

Peer Review of DOL OIG Audit Function

The U.S. Department of Health and Human Services OIG conducted a peer review of the system of quality control for DOL-OIG’s audit function for the period ending September 2021. The peer review report, which was issued on September 15, 2022, resulted in an opinion that the system of quality control was suitably designed and provided reasonable assurance of DOL-OIG’s conforming to professional standards in the conduct of audits. The peer review covered audit work performed during the unprecedented COVID-19 pandemic, and DOL-OIG received a clean report with a rating of pass with no recommendations.

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Peer Review of DOL-OIG Investigative Function

The United States Postal Service OIG conducted a peer review of the system of quality control for DOL-OIG's investigative function for the period ending November 1, 2019. The peer review report, which was issued on December 2, 2019, resulted in an opinion that the system of quality control was suitably designed and provided reasonable assurance of DOL-OIG's conforming to professional standards in conduct of investigations. The peer review did not find any reportable findings.

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OIG Hotline

The OIG Hotline provides a communication link between the OIG and persons who want to report alleged violations of laws, rules, and regulations; mismanagement; waste of funds; abuse of authority; or danger to public health and safety. During the reporting period October 1, 2023, through March 31, 2024, a total of 2,349 complaints were opened in the OIG Hotline's complaint management system. A significant number of these complaints involve concerns regarding COVID-19-related unemployment benefits. Effective this SAR period, the OIG has suspended the referral of pandemic UI matters to State Workforce Agencies due to resource issues. During this reporting period, the OIG Hotline received additional complaints that are awaiting processing.

Complaints Received (by method reported)	Totals
Telephone	3
E-mail/Internet	2,293
Mail	53
Fax	0
Walk-In	0
Total	2,349

Contacts Received (by source)	Totals
Complaints from Individuals or Non-Governmental Organizations	1,076
Complaints/Inquiries from Congress	2
Referrals from GAO	13
Complaints from Other DOL Agencies	13
Complaints from Other (non-DOL) Government Agencies	1,245
Total	2,349

Disposition of Complaints Reviewed and Processed	Totals
Referred to OIG Components for Further Review and/or Action	80
Referred to DOL Program Management for Further Review and/or Action	136
Referred to Non-DOL Agencies/Organizations	59
No Referral Required/Informational Contact	617
Total	892

Acronyms and Abbreviations

AARP	American Association of Retired Persons	FECA	Federal Employees' Compensation Act	OSHA	Occupational Safety and Health Administration
BAM	Benefit Accuracy Measurement	FISMA	Federal Information Security Modernization Act of 2014	OWCP	Office of Workers' Compensation Programs
BLS	Bureau of Labor Statistics	FLC	Foreign Labor Certification	PERM	permanent employment certification program
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	FPUC	Federal Pandemic Unemployment Compensation	PEUC	Pandemic Emergency Unemployment Compensation
C.F.R	Code of Federal Regulations	FY	Fiscal Year/fiscal year	PII	personally identifiable information
CIO	Chief Information Officer	GAO	Government Accountability Office	PPP	Paycheck Protection Program
DCCA Special Fund	District of Columbia Workmen's Compensation Act of 1928 Special Fund	H-1B	visa program for workers in specialty occupations	PRAC	Pandemic Response Accountability Committee
DCIS	Defense Criminal Investigative Service	H-2A	visa program for agricultural workers	PUA	Pandemic Unemployment Assistance
DEA	Drug Enforcement Administration	H 2B	visa program for non-agricultural workers	SBA	Small Business Administration
Department of DOL	U.S. Department of Labor	HHS	Department of Health and Human Services	SWA	State Workforce Agency
DHS	Department of Homeland Security	HSI	Homeland Security Investigations	TFFF	Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week
DOJ	U.S. Department of Justice	IDH	Integrity Data Hub	TSP	Thrift Savings Plan
EBSA	Employee Benefits Security Administration	IRS-CI	Internal Revenue Service-Criminal Investigation	Treasury	U.S. Department of the Treasury
EDD	Employment Development Department	IT	information technology	TIGTA	Treasury Inspector General for Tax Administration
EIDL	Economic Injury Disaster Loan	KPMG	KPMG LLP	Trust Fund	Black Lung Disability Trust Fund
Energy	Energy Employees Occupational Illness Compensation Program	Longshore Special Fund	Longshore and Harbor Workers' Compensation Act Special Fund	VA	Department of Veterans Affairs
ERAP	Emergency Rental Assistance Program	MSHA	Mine Safety and Health Administration	UI	unemployment insurance
ERISA	Employment Retirement Income Security Act of 1974	MUIA	Michigan Unemployment Insurance Agency	USPIS	United States Postal Inspection Service
ETA	Employment and Training Administration	NASWA	National Association of State Workforce Agencies	USPS	United States Postal Service
EURGENO	Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations	OCFO	Office of Chief Financial Officer	WHD	Wage and Hour Division
		OCIO	Office of Chief Information Officer	WIOA	Workforce Innovation and Opportunity Act
		OIG	Office of Inspector General		
		OMB	Office of Management and Budget		

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