



UNITED STATES OF AMERICA FEDERAL LABOR RELATIONS AUTHORITY WASHINGTON, D.C. 20424

April 9, 2025

Dear Chairman Kiko and Members Grundmann and Wagner:

I am pleased to submit the Office of Inspector General's (OIG) 73rd Semiannual Report to Congress prepared in accordance with the requirements of the Inspector General Act of 1978, as amended (hereafter referred to as the IG Act). This report covers audits, investigations, and other reviews conducted by the OIG from October 1, 2024 through March 31, 2025.

Please note that section 405(c) of the IG Act provides that the semiannual report must be transmitted by the establishment head to the appropriate committees and subcommittees of the Congress within 30 days after receipt of the report, together with a report by the establishment head as set forth in section 405(c)(1)-(5).

During this reporting period, the OIG completed one audit and conducted three reviews. Further information regarding these matters can be found in the enclosed report.

The OIG hotline maintained a high volume of inquiries, receiving a total of 564 hotline inquiries. The OIG closed one investigation during this period. Additionally, we responded to 12 of the 13 requests made under the Freedom of Information Act.

The OIG appreciates the support of the Federal Labor Relations Authority (FLRA) in our efforts to provide independent oversight of its programs and operations. I look forward to working with the FLRA and Congress to improve the Authority's operations in the future.

Respectfully,

Dana A. Rooney Inspector General

Enclosure

cc: Michael Jeffries, Executive Director

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Table 1 Inspector General Act Reporting Requirements Index

IG Act		
Section	Description	Page
404(a)(2)	Review of Existing and Proposed Legislation and Regulations	p. 7
405(b)(1)	Description of Significant Problems, Abuses, and Deficiencies and Associated Reports and Recommendations for Corrective Action	None
405(b)(2)	Table 4: Recommendations from Prior Reports on Which Corrective Action Has Not Been Completed, Including Potential Cost Savings	p. 10
405(b)(3)	Summary of Significant Investigations Closed	p. 6
405(b)(4)	Total Number of Convictions Resulting from Investigations	None
405(b)(5)	Table 2: Listing by Subject Matter of Each Report Issued During This Reporting Period, Including Questioned Costs, Funds Put to Better Use, and Status of Management Decisions	p. 9
405(b)(6)	Management Decisions Made During the Reporting Period for Reports Issued in a Prior Reporting Period	None
405(b)(7)	Information Described Under Section 804(b) of FFMIA*	N/A
405(b)(8)	Results of Peer Review Conducted During This Period or Date of Last Peer Review	p. 8
405(b)(9)	List of Outstanding Recommendations from Peer Review	None
405(b)(10)	List of Peer Reviews Conducted by the Office of Inspector General of Another Office of Inspector General During This Period	p. 8
405(b)(11)	Table 3: Statistical Table of Investigative Reports and Referrals	p. 9
405(b)(12)	Description of the Metrics Used for Developing Investigative Statistics	p. 9
405(b)(13)	Investigations With Substantiated Allegations Involving Senior Government Employees	p. 6
405(b)(14)	Description of Any Whistleblower Retaliation	None
405(b)(15)	Description of Attempts to Interfere with Inspector General Independence, Constraints on the Budget, or Restrictions or Delays in Access to Information	None
405(b)(16)	Summary of Reports Not Disclosed to the Public	p. 6
Annex	Contract Audit Reports Issued to the Contracting Activity	None

^{*}The referenced requirement from the Federal Financial Management Improvement Act of 1996 (FFMIA) applies only to "agencies" under the Chief Financial Officers Act of 1990; therefore, the requirement does not apply to FLRA.

Federal Labor Relations Authority Overview

MISSION

Consistent with its statutory mandate, the Federal Labor Relations Authority's (FLRA) mission statement is: "Protecting rights and facilitating stable relationships among federal agencies, labor organizations, and employees while advancing an effective and efficient government through the administration of the Federal Service Labor-Management Relations Statute."

ORGANIZATION

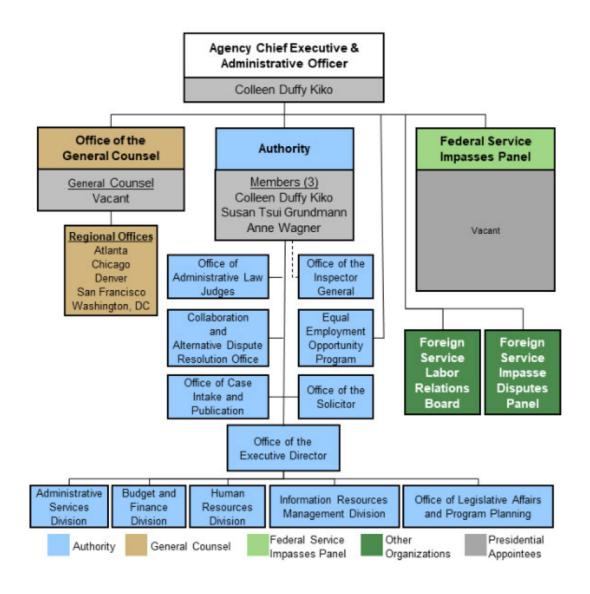
The FLRA is an independent administrative Federal agency created by Title VII of the Civil Service Reform Act of 1978, also known as the Federal Service Labor-Management Relations Statute, 5 U.S.C. §§ 7101-7135. The statute allows certain non-postal Federal employees to organize, to bargain collectively, and to participate through labor organizations of their choice in decisions affecting their working lives.

The statute defines and lists the rights of employees, labor organizations, and agencies to reflect the public interest's demand for the highest standards of employee performance and the efficient accomplishment of Government operations. Specifically, the statute requires that its provisions be interpreted in a manner consistent with the requirement of an effective and efficient Government.

In order to perform the many and varied functions of administering and enforcing the statute, the FLRA is organized into three distinct components: the Authority, the Office of the General Counsel, and the Federal Service Impasses Panel. All components support and engage in collaboration and alternative dispute resolution activities as an integral part of their programs. The agency also provides full program and staff support to two other organizations—the Foreign Service Labor Relations Board and the Foreign Service Impasse Disputes Panel.

FLRA's organization chart is shown in Figure 1 on the following page.

Figure 1
Federal Labor Relations Authority Organization Chart



Office of Inspector General Overview

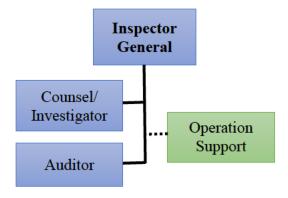
The Office of Inspector General (OIG) is an independent office established under the provisions of the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401-424 (IG Act). The FLRA OIG was established on September 25, 1989. Ms. Dana Rooney was appointed Inspector General in 2010.

The IG Act gives the Inspector General the authority and responsibility to:

- conduct and supervise audits and investigations relating to the FLRA's programs and operations;
- provide leadership, coordination, and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of the FLRA's programs and operations, and to prevent and detect fraud and abuse in the FLRA's programs and operations; and,
- 3. keep the Chairman, Authority Members, and Congress fully informed about problems and deficiencies as well as the necessity for corrective action.

In addition to the Inspector General, the OIG has two additional staff: a senior auditor a counsel who also is the OIG's investigator. The OIG uses an independent public accounting firm to perform statutorily-mandated audits under contract, such as the annual financial statement audit.

Figure 2
FLRA Office of Inspector General Organization Chart



Office of Inspector General Activities

AUDITS AND REVIEWS

Completed Audits and Reviews

During this reporting period, the OIG issued four audit and review reports.

1. Audit of the FLRA's Financial Statements for Fiscal Year 2024 (AR-25-01)

The FLRA is required to submit audited financial statements in accordance with the Accountability of Tax Dollars Act of 2002, and the Chief Financial Officers Act of 1990 for smaller agencies, including the FLRA. Under a contract monitored by the OIG, an independent public accounting firm, was contracted to perform an audit of the financial statements. Overall, the independent public accounting firm found that the FLRA's financial statements were presented fairly in all material respects in accordance with Generally Accepted Accounting Principles as of September 30, 2024.

The independent public accounting firm's' contract and scope of work did not include an opinion on the effectiveness of FLRA's internal controls. However, the independent public accounting firm did state that they did not identify any deficiencies in internal controls with regards to financial reporting that were considered to be material weaknesses.

Statement on Auditing Standards AU-C¹ Section 260 Letter for Fiscal Year 2024 (AR-25-02)

The independent public accounting firm issued the Statement on Auditing Standards AU-C Section 260 letter, "The Auditor's Communication with Those Charged with Governance." The letter provides a framework for effective communication between the auditor and client in relation to the audit of the financial statements.

Statement on Auditing Standards AU-C Section 265 Management Letter for Fiscal Year 2024 (AR-25-03)

The independent public accounting firm issued the Statement on Auditing Standards AU-C Section 265 letter, "Communications of Significant Deficiencies and/or Material Weaknesses." This management letter communicates in writing any significant deficiencies and/or material weaknesses in FLRA's internal controls. There were no deficiencies identified or material weaknesses in FLRA's internal controls.

¹ AU-C refers to the American Institute of Public Accountants, Auditing Standards Board standards that are clarified and converged with the International Standards on Auditing.

2. Evaluation of the FLRA's Compliance with the Privacy Act Mandatory Annual Training Requirement for FY 2023 (MAR-25-01)

The OIG conducted a review titled, Evaluation of the FLRA's Compliance with the Privacy Act Mandatory Annual Training Requirement for Fiscal Year (FY) 2023. We determined that FLRA did not effectively monitor completion of the required annual Privacy Act training for FY 2023 and that at least 16 percent of FLRA users had not completed the required training. An additional 7 percent of employees asserted they took the training, but could not provide supporting evidence that they took the training. We made three recommendations to the Senior Agency Official for Privacy (SAOP). The SAOP agreed with our findings and recommendations. We plan on conducting a follow-up review to determine if FLRA has fully implemented their action plan to close out the recommendations.

3. Review of the FLRA's Compliance with the Payment Integrity Information Act of 2019 for FY 2024 (MAR-25-03)

The OIG reviewed the improper payment information section of the FY 2024 FLRA's Performance and Accountability Report and other material to determine FLRA's compliance with certain requirements in the Payment Integrity Information Act of 2019 (PIIA). We determined FLRA was compliant with PIIA reporting requirements for FY 2024.

4. Evaluation of the FLRA's Preparedness Against Cybersecurity Attacks, FY 2025 (MAR-25-04)

The independent public accounting firm, on behalf of the FLRA OIG, conducted an independent evaluation of the agency's preparedness against cybersecurity attacks. The independent public accounting firm's evaluation focused on FLRA's information security as it relates to compliance against National Institute of Standards and Technology Special Publication 800-61, "Computer Security Incident Handling Guide."

The independent public accounting firm noted in its report that the FLRA continues to take information security weaknesses seriously and continues to identify steps to improve FLRA's information security program. This year's testing identified no new findings.

On-Going

The OIG currently has the following three active engagements.

1. Review of the FLRA's Privacy and Data Security Policies, Procedures, and Practices for FY 2025

The independent public accounting firm is currently conducting a review of the FLRA's privacy and data protection program for FY 2025. This review encompasses an examination of the status of two open recommendations from

the previous year's Review of the FLRA's Privacy and Data Security Policies, Procedures, and Practices for FY 2024 (MAR-24-06).

2. Quality Assurance Review of the FLRA OIG Audit Operations for the Period April 1, 2024 through March 31, 2025

The independent public accounting firm has contracted with a different independent public accounting firm to conduct the annual quality assurance review of the OIG's audit operations for the 12-month period ending March 31, 2025. This is a critical component of the OIG's System of Quality Management to ensure compliance with Government Auditing Standards.

3. FLRA's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2025.

The Federal Information Security Modernization Act of 2014 (FISMA), as amended, requires Federal agencies to develop, document, and implement an agency-wide information security program that provides security for the information systems that support the operations and assets of the agency. FISMA assigns specific responsibilities to agency heads and the Inspectors General. FISMA states that an independent evaluation is to be performed by the agency Inspector General or an independent external auditor as determined by the Inspector General. The OIG has contracted with the independent public accounting firm to perform this review. The review is in progress and encompasses following-up on the status of 25 open recommendations from the previous year's Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 Fiscal Year 2024 (MAR-24-07).

<u>Planned</u>

- 1. Financial Statement Audit for FY 2025
 - Statement on Auditing Standards AU-C Section 265 Management Letter
 - Statement on Auditing Standards AU-C Section 260 Letter
- 2. Follow-up Review on the Evaluation of the FLRA's Compliance with the Privacy Act Mandatory Annual Training Requirement for FY 2023 (MAR-25-01).
- 3. Follow-up Review of the Management Advisory Memorandum Regarding FLRA Nondisclosure Requirements and Whistleblowing Rights (MAM-24-02).

INVESTIGATIONS

During this semiannual period, the OIG closed one investigation. The investigation was significant in that it substantiated an allegation of misconduct involving a senior Government employee. The investigation was not disclosed to the public.

Allegation of Improper Disclosure of FLRA Employee's Personal Medical Information to Other FLRA Employees

The OIG conducted an investigation into an allegation that a senior Government employee in the FLRA improperly disclosed another FLRA employee's personal medical information to several other FLRA employees. The investigation determined that the senior Government employee forwarded an email chain containing the employee's personal medical information to the several employees in a stated effort to assist the employee, but such disclosure was, nonetheless, inconsistent with the Privacy Act, 5 U.S.C. § 552a, and FLRA policy regarding personally identifiable information. Based on the investigation's findings, FLRA management issued a letter of reprimand and committed to provide additional training to the senior Government employee.

HOTLINE

In order to facilitate reporting of allegations, the FLRA OIG maintains a hotline (see "Contacting the Office of Inspector General"). Those who have general questions or concerns that do not fall within the FLRA OIG's jurisdiction may be referred to other entities, such as other FLRA offices, other Federal agencies, and local or state governments.

During the reporting period, we received **564** hotline inquiries. These hotline inquiries were received via the following methods: **15** telephone calls or in-person, **296** OIG website submissions, and **253** letters or emails.

FREEDOM OF INFORMATION ACT REQUESTS

The Freedom of Information Act (FOIA) is a law that allows individuals to request Federal agency records, subject to specific exemptions protecting records from disclosure. During this semiannual period, the OIG received 13 requests. Table 5 provides a detailed breakdown of the disposition of the requests.

LIAISON ACTIVITIES

The Inspector General is a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which develops plans for coordinated, Governmentwide activities that address weaknesses and vulnerabilities and promote economy and efficiency in Federal programs and operations. The OIG also periodically meets with Congressional staffers when requested or when circumstances or issues require meetings.

REGULATORY REVIEW

Under section 404(a)(2) of the IG Act, it is a duty and responsibility of each Inspector General to review existing and proposed legislation and regulations relating to programs and operations of the agency and to make recommendations concerning the impact of the legislation and regulations on (1) the economy and efficiency in the administration of programs and operations administered or financed by the agency, or (2) the prevention and detection of fraud and abuse in the programs and operations.

During this semiannual reporting period, the Office of Management and Budget (OMB) issued a revised OMB Circular A-50, *Audit, Inspection, or Evaluation Follow-Up*. The OIG reviewed FLRA agency policy impacted by the revised circular and provided recommended updates to FLRA policy. FLRA management is currently drafting a revision to its follow-up policy with regards to OIG and Government Accountability Office audits, inspections, and evaluations.

PEER REVIEW

The IG Act requires OIGs to report the results of peer reviews of their operations conducted by other OIGs, the date of the last peer review, outstanding recommendations from peer reviews, and peer reviews conducted by the OIG of other OIGs in the semiannual period. Peer reviews are conducted by member organizations of CIGIE.

The Appalachian Regional Commission OIG performed the last peer review of our office's audit program and was issued on June 15, 2023. The FLRA OIG received a rating of *pass*. The reviewers did not make any recommendations. The 2023 peer review report is posted on our website. The next peer review of the FLRA OIG is scheduled for FY 2026 for the period ending September 30, 2025.

During this semiannual period, we conducted an External Peer Review of the Federal Maritime Commission OIG. On October 29, 2024, we issued a System Review Report to the Federal Maritime Commission OIG with a rating of *pass*. There was no letter of comment issued. There were no prior outstanding recommendations from the prior peer review of the Federal Maritime Commission OIG.

Table 2 Listing of Reports Issued During This Reporting Period

Report Number	Report Date	Report Title	Total Recs	Mgt Decision
MAM-25-01	10/07/2024	Evaluation of the FLRA's Compliance with the Privacy Act Mandatory Annual Training Requirements for FY 2023	3	✓
AR-25-01	11/15/2024	Audit of the FLRA's Financial Statements for FY 2024	0	N/A
AR-25-02	11/15/2024	Statement on Auditing Standards AU-C 260 Letter	0	N/A
AR-25-03	11/15/2024	AU-C 265 Management Letter	0	N/A
MAR-25-03	03/10/2025	Review of the FLRA's Compliance with the Payment Integrity Information Act of 2019 for FY 2024	0	N/A
MAR-25-04	03/08/2025	Evaluation of the FLRA's Preparedness Against Cybersecurity Attacks FY 2025	0	N/A

Note: These reports did not identify any questioned costs, unsupported costs, or funds that could be put to better use.

Table 3
Investigative Reports and Referrals

Description	Count
Number of Investigative Reports Issued	1
Number of Persons Referred to the Department of Justice for	
Criminal Prosecution	0
Number of Persons Referred to State and Local Prosecuting	
Authorities for Criminal Prosecution	0
Number of Indictments and Criminal Informations Resulting from any Prior Referral to Prosecuting Authorities	
	0

Note: Data is derived from the FLRA OIG's records of investigation.

Table 4
Recommendations from Prior Reports on Which Corrective
Action Has Not Been Completed

Report Title	# Of Recs	Mgt. Decisions	Final Action Complete	Action Not Complete
Management Advisory Memorandum Regarding FLRA Nondisclosure Requirements and Whistleblowing Rights (MAM-24-02)	1	1	0	1
Review of the FLRA's Privacy and Data Security Policies, Procedures, and Practices for FY 2024 (MAR-24- 06)	2	2	0	2
Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 (MAR-24-07)	25	25	0	25

Note: These reports did not identify any questioned costs, unsupported costs, or funds that could be put to better use.

Table 5
Freedom of Information Act Requests

Activity Description	Total
Number of FOIA Requests Received	13
Number of FOIA Requests Processed	12
Requests Fully Granted	0
Requests Partially Granted	9
No Records	3
Referred to Other Agencies	0
Request Withdrawn	0
Not a Proper FOIA Request	0
Duplicate Request	0
Not an Agency Record	0

Appendix A Statements Regarding Plain Writing and Acronyms

We adhere to the requirements set forth in the Plain Writing Act of 2010. The Act requires that Government documents be clear, concise, well-organized, and follow other best practices appropriate to the subject or field and intended audience.

The abbreviations we use in this report are listed below.

Acronym/ Symbol	Definition
§	Section
CIGIE	Council of the Inspectors General on Integrity and Efficiency
FISMA	Federal Information Security Modernization Act of 2014
FLRA	Federal Labor Relations Authority
FOIA	Freedom of Information Act
FY	Fiscal Year
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIIA	Payment Integrity Information Act of 2019
SAOP	Senior Agency Official for Privacy
U.S.C.	United States Code

Appendix B Definition of Terms

The definitions below are paraphrased from the IG Act (5 U.S.C. § 405(a)).

Токи	Definition
Term	Definition
Disallowed Cost	A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.
Final Action	The completion of all actions that management has concluded, in its management decision, are necessary with respect to the findings and recommendations. If management concluded that no action was necessary, final action occurs when a management decision is issued.
Management Decision	An evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.
Questioned Cost	A cost questioned because of (a) an alleged violation of a law, regulation, contract, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.
Better Use of Funds	Funds that could be used more efficiently if management took appropriate action, including: (a) reductions in outlays; (b) deobligation of funds; (c) costs not incurred by implementing recommended improvements related to the operations of the establishment, or a contractor; (d) avoidance of unnecessary expenditures noted in preaward reviews of a contract; or (e) any other savings which are specifically identified.
Unsupported Costs	A cost questioned because, at the time of the audit, such cost is not supported by adequate documentation.

CONTACTING THE OFFICE OF INSPECTOR GENERAL



If you know of fraud, waste, abuse, or misconduct relating to an FLRA program, contract, or employee, you may report it to the FLRA OIG **Hotline**:

www.flra.gov/OIG-Hotline

When reporting information, you may choose to be confidential, which means the FLRA OIG will not disclose your identity without your consent, unless the Inspector General determines that such a disclosure is unavoidable during the course of an investigation. You may instead choose to be anonymous. Anonymous reports may limit our ability to process the information you provide as we would not be able to contact you for additional information or clarification. To learn more about the FLRA OIG, visit our website at: www.flra.gov/components-offices/offices/office-inspector-general

OIG CONTACT INFORMATION

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