

**UNITED STATES GOVERNMENT**  
***National Labor Relations Board***  
**Office of Inspector General**



**Memorandum**

May 19, 2025

To: Marvin E. Kaplan, Chairman  
William B. Cowen, Acting General Counsel

From: Ruth C. Blevins *Ruth C. Blevins*  
Inspector General

Subject: The National Labor Relations Board's Compliance with Improper Payment  
Reporting Requirements for Fiscal Year 2024

The *Payment Integrity Information Act of 2019* (PIIA) and the Office of Management and Budget (OMB) implementing guidance require that agencies and Inspectors General improve efforts to identify and reduce government-wide improper payments by:

- Agencies must identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by OMB Circular A-123, Appendix C (M-21-19, March 2021).
- Inspectors General must determine whether an agency is in compliance with the PIIA and issue an annual report, per OMB Circular A-123, Appendix C (M-21-19, March 2021).

In the National Labor Relations Board's (NLRB) Fiscal Year (FY) 2024 Performance and Accountability Report (PAR), the NLRB stated that it estimates that improper payments did not exceed \$10 million and 1.5 percent of the NLRB's total expenditures, and that the improper payments amount would be no more than \$4,522,933. That amount is below the threshold for significant improper payments established by OMB. We concur with the determination that the NLRB does not have significant improper payments.

The PIIA also requires that an agency perform an improper payment risk assessment every 3 years. The NLRB complied with this requirement as the NLRB's last improper payment risk assessment was conducted in October 2022. When we reviewed the assessment, we observed that it correctly reported on two program areas – payroll and commercial contracts. For purposes of the improper payment assessment, backpay payments are not subject to PIIA as they are not a payment of Federal funds.

The OMB guidance requires that the Inspector General include the following chart in their annual report:

Program Name	Published Payment Integrity information with the annual financial statement	Posted the annual financial statement and accompanying materials on the agency website	Conducted improper payment (IP) risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years	Adequately concluded whether the program is likely to make IP's and unknown payments (UP) above or below the statutory threshold	Published IP and UP estimates for programs susceptible to significant IP's and UP's in the accompanying materials to the annual financial statement	Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	Published an IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate	Developed a plan to meet the IP and UP reduction target	Reported an IP and UP estimate of less than 10% for each program for which an estimate was published in the accompanying materials to the annual financial statement
Payroll	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Commercial Contracts	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A

This information will also be reported to the Congressional Government oversight and appropriation committees.

cc: Board  
Chief Financial Officer