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Description of document: National Labor Relations Board (NLRB) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of Inspectors General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 17-April-2012

Released date: 16-May-2012

Posted date: 04-July-2012

Source of document: NLRB FOIA Officer  
National Labor Relations Board  
1099 14th Street, N.W., Room 10600  
Washington, D.C. 20570  
Fax: (202) 273-FOIA (3642)

Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See: <http://www.governmentattic.org/6docs/GrassleyCoburn.htm>

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United States Government  
NATIONAL LABOR RELATIONS BOARD  
OFFICE OF INSPECTOR GENERAL  
Washington, DC 20570-0001

May 16, 2012

This letter is in response to your Freedom of Information Act (FOIA) request, dated April 17, 2012, seeking a copy of "[e]ach and every biannual response/report to Senators Grassley and Coburn, IN ADDITION TO the original response ... to the April 8, 2010 letter from the Senators." (Emphasis original.) This request was assigned a FOIA tracking number **OIG-2012-020**.

Our search revealed six responsive documents, which are enclosed. We have also included a copy of correspondence that we sent to Senator Michael Enzi, the Ranking Member of the Committee on Health, Education, Labor and Pensions, U.S. Senate. Although you did not request a copy of that correspondence, it contains the same information as the letters that you did request.

I am responsible for the above determination. You may obtain a review thereof under the provisions of Section 102.177(c)(2)(v) of the NLRB Rules and Regulations by filing an appeal with the Chairman, National Labor Relations Board, 1099 14<sup>th</sup> Street, NW, Washington, D.C. 20570, within 28 calendar days from the date of this letter, such period beginning to run on the calendar day after the date of this letter. Thus, the appeal must be received by the close of business (5:00 p.m.) on June 13, 2012. Any appeal should contain a complete statement of the reasons upon which it is based.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Matis", is written over a horizontal line.

Jennifer Matis  
Counsel to the Inspector General

Enclosures (7)

cc: NLRB FOIA Officer (w/o enclosures)



**United States Government**

**NATIONAL LABOR RELATIONS BOARD**

**OFFICE OF INSPECTOR GENERAL**

Washington, DC 20570-0001

May 14, 2012

The Honorable Charles E. Grassley  
Ranking Member  
Committee on the Judiciary  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

This letter is in response to your request for periodic reports for information regarding the Office of Inspector General (OIG), National Labor Relations Board (NLRB).

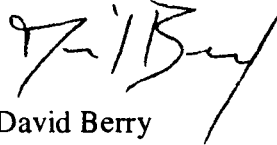
Pursuant to the request for reports on all investigations, evaluations, and audits that have not been disclosed to the public and in accordance with the guidance provided to the Council of the Inspectors General on Integrity and Efficiency, I am reporting that all such reports were disclosed in our April 1, 2011 – September 30, 2011 Semiannual Report to Congress. Additionally, all audit and inspection reports were posted on the OIG portion of the NLRB's Web site. On February 16, 2012, I provided this information to the Ranking Member for the Committee on Health, Education, Labor and Pensions. With that correspondence, I included an enclosure that listed the investigations that were closed during the reporting period. I am now resubmitting this report to you with a copy of that enclosure.

Since our prior response to your request, we have not experienced any delays in being granted access to information within the control of the NLRB. At no time has any NLRB official threatened or otherwise attempted to impede the OIG's ability to communicate with Congress. If such a situation should ever arise, I will immediately provide the information to you. I can also report that we continue to receive appropriate support from the Board and Acting General Counsel.

The Honorable Charles E. Grassley  
Page 2  
May 14, 2012

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nrlb.gov](mailto:david.berry@nrlb.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "David Berry". The signature is stylized with a large, sweeping "D" and a long, horizontal stroke extending to the right.

David Berry  
Inspector General

Enclosure

cc: Board  
Acting General Counsel

<b>Case Number</b>	<b>General Nature of Allegation</b>	<b>Reported in Semiannual Rpt</b>
OIG-I-454	Improper release of Social Security numbers.	Not reported in SAR (not substantiated).
OIG-I-453	Improper procurement of Google ads.	Reported in April SAR.
OIG-I-450	Stolen laptop computers.	Not reported in SAR (laptops not recovered).
OIG-I-443	Improper release of procurement information.	Reported in April 2011 and October 2011 SARs.
OIG-I-441	Outside employment.	Reported in April 2011 SAR.
OIG-I-437	Negligent processing of unfair labor practice complaint.	Reported in October 2010 SAR.





**United States Government**

**NATIONAL LABOR RELATIONS BOARD**

**OFFICE OF INSPECTOR GENERAL**

Washington, DC 20570-0001

May 14, 2012

The Honorable Tom Coburn  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and  
Government Affairs  
United States Senate  
Washington, DC 20510

Dear Senator Coburn:

This letter is in response to your request for periodic reports for information regarding the Office of Inspector General (OIG), National Labor Relations Board (NLRB).

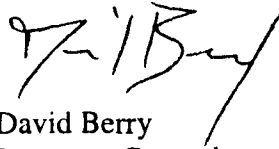
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The Honorable Tom Coburn  
Page 2  
May 14, 2012

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nrlb.gov](mailto:david.berry@nrlb.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "David Berry", with a stylized flourish extending from the end.

David Berry  
Inspector General

Enclosure

cc: Board  
Acting General Counsel



<b>Case Number</b>	<b>General Nature of Allegation</b>	<b>Reported in Semiannual Rpt</b>
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**United States Government**  
**NATIONAL LABOR RELATIONS BOARD**  
**OFFICE OF INSPECTOR GENERAL**  
Washington, DC 20570-0001

January 13, 2011

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

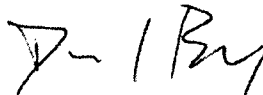
This letter is in response to your request of April 8, 2010, for periodic reports for information regarding the Office of Inspector General (OIG), National Labor Relations Board (NLRB).

Pursuant to your request for reports on all investigations, evaluations, and audits that have not been disclosed to the public and in accordance with the guidance provided to the Council of the Inspectors General on Integrity and Efficiency, I am reporting that all such reports were disclosed in our April 1, 2010 – September 30, 2010 Semiannual Report to Congress. Additionally, all audit and inspection reports were posted on the OIG portion of the NLRB's Web site.

Since our first response to your request, we have not experienced any delays in being granted access to information within the control of the NLRB. At no time has any NLRB official threatened or otherwise attempted to impede the OIG's ability to communicate with Congress. If such a situation should ever arise, I will immediately provide the information to you. I can also report that we continue to receive appropriate support from the Chairman and Acting General Counsel.

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nlrb.gov](mailto:david.berry@nlrb.gov).

Sincerely,

  
David Berry  
Inspector General

cc: Chairman  
Acting General Counsel



United States Government

NATIONAL LABOR RELATIONS BOARD

OFFICE OF INSPECTOR GENERAL

Washington, DC 20570-0001

January 13, 2011

The Honorable Tom Coburn  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Government Affairs  
United States Senate  
Washington, DC 20510

Dear Senator Coburn:


This letter is in response to your request of April 8, 2010, for periodic reports for information regarding the Office of Inspector General (OIG), National Labor Relations Board (NLRB).

Pursuant to your request for reports on all investigations, evaluations, and audits that have not been disclosed to the public and in accordance with the guidance provided to the Council of the Inspectors General on Integrity and Efficiency, I am reporting that all such reports were disclosed in our April 1, 2010 – September 30, 2010 Semiannual Report to Congress. Additionally, all audit and inspection reports were posted on the OIG portion of the NLRB's Web site.

Since our first response, we have not experienced any delays in being granted access to information within the control of the NLRB. At no time has any NLRB official threatened or otherwise attempted to impede the OIG's ability to communicate with Congress. If such a situation should ever arise, I will immediately provide the information to you. I can also report that we continue to receive appropriate support from the Chairman and Acting General Counsel.

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nlrb.gov](mailto:david.berry@nlrb.gov).

Sincerely,

  
David Berry  
Inspector General

cc: Chairman  
General Counsel





**United States Government**

**NATIONAL LABOR RELATIONS BOARD**

**OFFICE OF INSPECTOR GENERAL**

Washington, DC 20570-0001

June 10, 2010

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

This letter is in response to your request of April 8, 2010, for information regarding the Office of Inspector General (OIG), National Labor Relations Board (NLRB).

At the NLRB, we have established appropriate working relationships with managers to ensure that we are able to obtain much of the information that we require for our audits, inspections, and investigations without delay or difficulty. As a result, with one exception, delays in granting access to information within the control of the Agency are rare and can best be described as resulting from miscommunication rather than an attempt to impede us in our oversight activities.

The one exception involves access to the Citibank databases for General Service Administration's Smart Pay travel and purchase cards. The Government's travel and purchase card programs are well-known for being at risk for abuse and fraud. In the fall of 2009, a situation came to my attention that caused me to question the Agency's internal controls for those transactions. To address my concerns, I determined that ongoing/continuous oversight of transactions involving those cards through proactive investigative reviews would be an effective means to detect misuse. In January 2010, my office requested that officials in the NLRB's Division of Administration provide user identification and passwords to OIG auditors. In February and March, OIG staff made inquiries regarding the status of the requested access and were eventually told by the Finance Branch Chief that she was instructed by the Director and Deputy Director of the Division of Administration not to process the request because they were concerned that data in the system could be altered. That explanation was problematic because we were asking for "read only" access, and I know that such access is possible because several years ago an OIG auditor had "read only" access to the systems. On June 7, 2010, I met with the Director and she stated that her concerns were that the OIG not have unfettered access to a Privacy Act system of records. The Director also cited a Memorandum of Understanding

between her and the prior Inspector General regarding access to the NLRB Privacy Act systems as a basis for her denial of ongoing access to the system. The Director stated also that her staff would provide the information needed on an as requested basis. On June 9, 2010, I formally brought this matter to the attention of the Deputy General Counsel, the Director's immediate supervisor.

Records for the travel and purchase cards are part of a Government-wide Privacy Act system of records and not an NLRB system. The memorandum cited by the Director expressly applies only to NLRB Privacy Act systems. The Government-wide Privacy Act system notices for the travel and purchase cards both have provisions that allow access to the data by employees of an agency for an official purpose. The Privacy Act system notice for the purchase cards states that access can be granted to "Federal agency employees . . . to conduct official duties associated with the management and operation of the purchase card program." The Privacy Act system notice for the travel cards states that it is a routine use "[t]o disclose information to a Federal agency for accumulating reporting data and monitoring the system." Proactive OIG investigative reviews of the travel and purchase card transactions squarely meet the criteria for access to the systems.

The Director's denial of system access and her assertion that her staff will provide individual data once it is requested is little more than gamesmanship that creates needless bureaucratic hurdles that impede our oversight activities and affects the integrity of the data. Requiring the OIG to make repeated requests for the information rather than providing real-time access prevents OIG auditors from identifying transactions that are unlawful or inappropriate very near the time they occur. The denial of the access to the systems is also troubling because the NLRB's procurement function is located within the Division of Administration and the impetus for renewal of this oversight was transactions by a member of her staff and a lack of procedures for managing those programs. To now rely on the Director and her staff to provide the data to the OIG significantly reduces the integrity of the data given the ease that it can be manipulated or altered.

Rather than further escalate this matter by going to the Chairman, I determined that the most appropriate manner to address this issue is to initiate an audit of the NLRB's travel and purchase card transactions. To that end, I instructed the OIG audit staff to develop an audit program that will review the past transactions for Fiscal Year 2010 and monitor the daily purchase card transactions through the end of the fiscal year. If we are again denied access to the systems, we will take appropriate action in accordance with the Inspector General Act.

I think it is important to note that the difficulty in dealing with the Director of Administration is not evidence of a systemic problem at the NLRB. Overall, the environment at the NLRB is supportive of the OIG mission, including appropriate support from the Chairman.

The Honorable Charles E. Grassley  
Page 3  
June 10, 2010

Pursuant to your request for reports on all investigations, evaluations, and audits that have not been disclosed to the public and in accordance with the guidance provided to the Council of the Inspectors General on Integrity and Efficiency, I am providing a summary of each of the investigations closed between January 1, 2009 and April 30, 2010. Each summary provides a brief description of the allegation, the investigative findings, and the resulting criminal or administrative action.

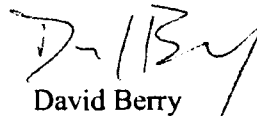
In addition to our investigations, we also produce audit and inspection reports and Issue Alerts. We consider each of those items to be public information, and we disclose them to Congress and the public through our Semiannual Report to Congress. We also post audit and inspection reports on the OIG portion of the NLRB Web site.

At no time has any NLRB official threatened or otherwise attempted to impede my office's ability to communicate with Congress. If such a situation should ever arise, I will immediately provide the information to you.

As requested, I have also enclosed a copy of the information provided to the Ranking Member of the House Committee on Oversight and Government Reform on outstanding audit recommendations that have not been fully implemented.

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nlrb.gov](mailto:david.berry@nlrb.gov).

Sincerely,



David Berry  
Inspector General

Enclosures (2)

cc: Chairman  
General Counsel



- **False Employment Application.** This investigation was initiated after we received a report that the subject, an Agency employee, submitted a false application for a higher graded position. Our investigation substantiated the allegation. The subject separated in lieu of disciplinary action. (OIG-I-444)
- **Internet Misuse.** After reviewing the Agency's Internet logs for an unrelated investigation, we determined that the subject was using the Agency's Internet access and laptop computer to view sexually graphic material. A forensic examination of the hard drive from the subject's Government computer substantiated the allegation and provided additional evidence that the subject used Agency equipment for outside business activity. When interviewed by the OIG, the subject admitted to engaging in the misconduct. After we issued an investigative report, the Agency and subject agreed that the subject would donate leave to the Agency's leave donor program in lieu of other disciplinary action. (OIG-I-442)
- **Failure to Pay Travel Card Balance.** We initiated this investigation after a review of the monthly travel card reports disclosed that the subject failed to pay the balance due. Our investigative efforts disclosed that charges on the travel card were proper in that they were related to official travel. Because we found that the subject had not misused the travel card for improper purchases, we referred this matter to the subject's managers to ensure that the balance was paid. (OIG-I-439)
- **Merit System Principles.** We received a complaint that the Agency provided an unlawful preference when it hired an employee. Although we did not find sufficient evidence to substantiate the allegation, we did find procedural issues involving the Merit System Principles. We resolved this matter through an Issue Alert. (OIG-I-438)
- **Internet Misuse.** After reviewing the Agency's Internet logs during an audit, we determined that more likely than not the subject was using the Agency's Internet access and laptop computer to view sexually graphic material. A forensic examination of the hard drive from the subject's Government computer substantiated the allegation. When interviewed by the OIG, the subject admitted to engaging in the misconduct. After we issued an investigative

report, the Agency and subject agreed that the subject would donate leave to the Agency's leave donor program in lieu of other disciplinary action. (OIG-I-436)

- **False Employment Application.** This investigation was initiated after we received a report that the subject, an Agency employee, submitted a false application for a higher graded position. Our investigation substantiated the allegation. The subject's employment with the Agency ended prior to management officials taking action based on the information in our investigative report. (OIG-I-434)
- **False Information.** We initiated this investigation after receiving information that the subject provided misleading information in a document that was provided to an Agency manager. After we initiated the investigation, we found that not only was the allegation substantiated, but that the subject provided similar misleading information in an official writing sent to an outside entity. We also found that the subject provided misleading information during the investigation. After issuing our investigation report, the subject was removed from employment with the Agency. (OIG-I-433)
- **Time and Attendance.** We initiated this investigation after receiving a complaint that the subject, a supervisor, was approving his own leave. What we found was that although the time and attendance records for the subject were certified by a manager in accordance with Agency policy, the subject was not requesting or receiving approval of the leave prior to the absence. We also found that the subject's leave usage could indicate a leave abuse situation. After our report was issued, the supervisor received informal counseling. (OIG-I-432)
- **Loss of Property.** We initiated this investigation after learning that certain inventoried property was missing. We found that two employees were involved in the taking of the property and that they took action to conceal the misconduct from Agency management. One of the employees also provided misleading information to the OIG. We recovered the property. The employee who provided misleading information to the OIG agreed to separate in lieu of disciplinary action. The second employee received a letter of reprimand. (OIG-I-431)

- **Travel Card Abuse.** We conducted an investigation involving an allegation that the subject misused the Government travel card. During a 3-month period, the subject made 22 purchases at gas stations that totaled \$934.38. During the same period, the subject was reimbursed \$192.36 for travel-related expenses – including \$62.50 for parking and tolls. Only five of the reimbursements occurred on or within 2 days of a travel card purchase by the subject. The subject also failed to pay the balance due on the travel card and the travel card account was terminated. During the investigation, the employee provided misleading statements to the OIG investigator. After we issued an investigative report, the subject received a 2-day suspension. (OIG-I-430)
- **Travel Card Abuse.** We conducted an investigation involving an employee who misused the Government travel card. During the 18 months preceding our investigation, the subject used the travel card on eight occasions to receive cash advances at casinos. The total amount of the cash advances, including the associated fees, was \$3,314.76. On two occasions, the subject used the travel card for food and lodging for total charges of \$240.03 that were not related to official travel. After we issued an investigative report, the subject received a 30-day suspension with an additional 30 days held in abeyance for a period of 2 years. (OIG-I-429)
- **Alteration of Records.** We initiated an investigation of an employee who altered Agency records for the benefit of a fellow employee. We determined that the allegation was substantiated. With regard to the employee who received the benefit, we determined that he was unaware of the nature of the wrongdoing. The U.S. Attorney's Office declined prosecution. After we issued an investigative report, the employee who made the alteration received a suspension and change in duties as disciplinary action. (OIG-I-426)
- **Transit Subsidy Fraud and Misleading Statement.** The OIG initiated an investigation of the subject who was suspected of driving to work while receiving the transit subsidy. The investigation substantiated the allegation. The U.S. Attorney's Office declined prosecution. After we issued an investigative report, the subject and the Agency entered into an alternative dispute resolution agreement involving a 5-day suspension that will be held in abeyance pending a year of good behavior. (OIG-I-425)

- **Abuse of Property and Insubordination.** We initiated an investigation of an employee who removed a computer hard drive from the office and apparently did something to destroy it. During the course of the investigation, we received additional information alleging that the employee wrongfully came into possession of official electronic files belonging to a management official, was insubordinate, and provided false and/or misleading information to the OIG. The U.S. Attorney's Office declined prosecution. After we issued an investigative report, the Agency issued to the subject a notice of proposed removal. Thereafter, the subject resigned. (OIG-I-420)
- **Contracting Irregularities.** OIG initiated an investigation of OCIO contracts with indemnification clauses that violated the Antideficiency Act and other contracting matters that were identified through an audit. The U.S. Attorney's Office declined prosecution of the Antideficiency Act violations. Our administrative investigation of the Antideficiency Act violations continued. The other contracting matters did not appear to be related to misconduct. [The Antideficiency Act violations were reported to the President, Congress, and Comptroller General on November 11, 2008. On December 31, 2008, the Agency reported that the violations were remedied]. (OIG-I-419)
- **Threats to a Board Agent.** The OIG initiated an investigation after a Board Agent received a threat from an employer. After we referred this matter to the appropriate U.S. Attorney's Office, the Federal Bureau of Investigation (FBI) took the lead on this matter. The employer then made additional threats to employees at the NLRB Headquarters. Thereafter, we worked jointly with the FBI to obtain evidence that substantiated the employer's criminal activity. The investigation resulted in an indictment of the subject on charges related to her threats to kill NLRB employees. The subject was convicted of making threats against a Federal employee and witness tampering. The subject was sentenced to 5 years confinement and 3 years probation. (OIG-I-417)
- **Fraud.** OIG initiated an investigation of an employee who was suspected of creating fraudulent leave and earnings statements for a third party who submitted them with an application for low income housing benefits. The U.S. Attorney's Office declined

prosecution. We then continued our investigation and found that the employee and other individuals, including another employee, used the fraudulent leave and earnings statements to receive state welfare benefits. The employee that was initially involved in the investigation resigned before we issued our investigative report. The second employee resigned in lieu of a removal action after our investigative report was issued.

Because the misconduct involved state welfare benefits, we provided our investigative results to the state prosecutor's office. The former employees were arrested then convicted of felony charges involving fraud and perjury. One former employee received a sentence of 210 days confinement, 120 hours of community service, and 2 years probation. The other former employee received a sentence of 4 days confinement, 250 hours of community service, 5 years probation, and make restitution of \$11,070. (OIG-I-412)



**United States Government**  
**NATIONAL LABOR RELATIONS BOARD**  
**OFFICE OF INSPECTOR GENERAL**  
Washington, DC 20570-0001

April 14, 2010

The Honorable Darrell E. Issa  
Ranking Minority Member  
Committee on Oversight and Government Reform  
United States House of Representatives  
Washington, DC 20515-6143

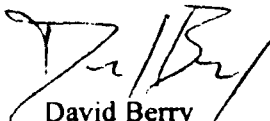
Dear Congressman Issa:

Pursuant to your request of March 24, 2010, I am providing to you, in the enclosed chart, a list identifying the Office of Inspector General's audit recommendations that remain open or have otherwise not been implemented by the National Labor Relations Board and an estimate of the monetary benefit associated with the recommendations. As requested, the enclosure also identifies what we consider to be the three most important unimplemented audit recommendations and the number of recommendations that we deemed accepted and implemented between January 5, 2009 and March 31, 2010.

With regard to your request for opinions about improving the Inspector General Act of 1978 (as amended), I support the initiatives of the Legislative Committee of the Counsel of Inspectors General on Integrity and Efficiency, as detailed in its April 2, 2010, letter to you.

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nlrb.gov](mailto:david.berry@nlrb.gov).

Sincerely,

  
David Berry  
Inspector General

Enclosure

cc: Chairman  
General Counsel

**1. Open and unimplemented recommendations:**

Twenty six

**2. Open or unimplemented recommendations with a cost savings:**

<b>Date</b>	<b>Audit</b>	<b>Recommendation</b>	<b>Amount</b>
12/11/09	OIG-F-14-10-01	Deobligate \$250,000 for an advance purchase of postage from FY 2009 funds and re-obligate the purchase to FY 2010 funds.	\$250,000
3/26/07	OIG-AMR-52-07-02	Obtain reimbursement for lunch breaks billed to the Agency on contract 40-060038.	\$1,150
9/30/03	OIG-AMR-39-03-04	Cease producing the Annual Report; or obtain an exemption from the Federal Reports Elimination and Sunset Act of 1995 to continue producing the Annual Report. *	\$57,000
1/24/03	OIG-AMR-38-03-01	Obtain reimbursement for the mileage overpayments of \$7,407.70	\$7,408

\* The total savings to date, had the recommendation been implemented, would be approximately \$342,000.

**3. Three most important open and unimplemented recommendations:**

**a. Continuity of Operations (OIG-AMR-55-07-03, September 18, 2007).**

We recommend that the Director of Administration ensure that all offices have a COOP plan that complies with Governmentwide directives. We also recommended that the plan include a telework policy.

- Management agreed with these recommendations. The Agency hired a COOP coordinator on February 1, 2010. The COOP Coordinator has been tasked with revising the Agency's COOP plans to ensure that they are in conformance with Federal Continuity Directives 1 and 2.
- No cost savings were associated with this recommendation.
- Management estimates that action will be completed on these recommendations by the end of Fiscal Year 2010.

- b. Audit of the NLRB Fiscal Year 2006 Financial Statements (OIG-F-11-07-01, December 12, 2006).

We recommend that the Chief Information Officer correct identified information technology security vulnerabilities.

- Management agreed with this recommendation. In September 2009, OIG personnel met with Office of the Chief Information Officer personnel to renew efforts to implement this recommendation. As a result of that meeting, a detailed action plan was developed.
- No cost savings were associated with this recommendation.
- Management expects to have this recommendation implemented by July 2010.

- c. Laptop Computer Accountability and Security (OIG-AMR-59-09-01, February 27, 2009).

We recommend that the Chief Information Officer develop and maintain a system or process that will provide proper internal control over the Agency's laptop computers throughout their asset life cycle.

- Management agreed with this recommendation. Management developed a number of manual internal controls and is presently procuring inventory control software to automate the process.
- No cost savings were associated with this recommendation.
- Management expects to have this recommendation implemented by August 2010.

Although we did not specify cost associated with these three recommendations, the recommendations are designed to reduce certain risks associated with the NLRB's programs and operations. By reducing those risks, the likelihood of loss and inefficiency are likewise reduced.

**4. Number of recommendations the Office of Inspector General deemed accepted and implemented between January 5, 2009 and March 31, 2010:**

Four







**United States Government**

**NATIONAL LABOR RELATIONS BOARD**

**OFFICE OF INSPECTOR GENERAL**

Washington, DC 20570-0001

June 10, 2010

The Honorable Tom Coburn  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Government Affairs  
United States Senate  
Washington, DC 20510

Dear Senator Coburn:

This letter is in response to your request of April 8, 2010, for information regarding the Office of Inspector General (OIG), National Labor Relations Board (NLRB).

At the NLRB, we have established appropriate working relationships with managers to ensure that we are able to obtain much of the information that we require for our audits, inspections, and investigations without delay or difficulty. As a result, with one exception, delays in granting access to information within the control of the Agency are rare and can best be described as resulting from miscommunication rather than an attempt to impede us in our oversight activities.

The one exception involves access to the Citibank databases for General Service Administration's Smart Pay travel and purchase cards. The Government's travel and purchase card programs are well-known for being at risk for abuse and fraud. In the fall of 2009, a situation came to my attention that caused me to question the Agency's internal controls for those transactions. To address my concerns, I determined that ongoing/continuous oversight of transactions involving those cards through proactive investigative reviews would be an effective means to detect misuse. In January 2010, my office requested that officials in the NLRB's Division of Administration provide user identification and passwords to OIG auditors. In February and March, OIG staff made inquiries regarding the status of the requested access and were eventually told by the Finance Branch Chief that she was instructed by the Director and Deputy Director of the Division of Administration not to process the request because they were concerned that data in the system could be altered. That explanation was problematic because we were asking for "read only" access, and I know that such access is possible because several years ago an OIG auditor had "read only" access to the systems. On June 7, 2010, I met with the Director and she stated that her concerns were that the OIG not have unfettered access to a Privacy Act system of records. The Director also cited a Memorandum of Understanding

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between her and the prior Inspector General regarding access to the NLRB Privacy Act systems as a basis for her denial of ongoing access to the system. The Director stated also that her staff would provide the information needed on an as requested basis. On June 9, 2010, I formally brought this matter to the attention of the Deputy General Counsel, the Director's immediate supervisor.

Records for the travel and purchase cards are part of a Government-wide Privacy Act system of records and not an NLRB system. The memorandum cited by the Director expressly applies only to NLRB Privacy Act systems. The Government-wide Privacy Act system notices for the travel and purchase cards both have provisions that allow access to the data by employees of an agency for an official purpose. The Privacy Act system notice for the purchase cards states that access can be granted to "Federal agency employees . . . to conduct official duties associated with the management and operation of the purchase card program." The Privacy Act system notice for the travel cards states that it is a routine use "[t]o disclose information to a Federal agency for accumulating reporting data and monitoring the system." Proactive OIG investigative reviews of the travel and purchase card transactions squarely meet the criteria for access to the systems.

The Director's denial of system access and her assertion that her staff will provide individual data once it is requested is little more than gamesmanship that creates needless bureaucratic hurdles that impede our oversight activities and affects the integrity of the data. Requiring the OIG to make repeated requests for the information rather than providing real-time access prevents OIG auditors from identifying transactions that are unlawful or inappropriate very near the time they occur. The denial of the access to the systems is also troubling because the NLRB's procurement function is located within the Division of Administration and the impetus for renewal of this oversight was transactions by a member of her staff and a lack of procedures for managing those programs. To now rely on the Director and her staff to provide the data to the OIG significantly reduces the integrity of the data given the ease that it can be manipulated or altered.

Rather than further escalate this matter by going to the Chairman, I determined that the most appropriate manner to address this issue is to initiate an audit of the NLRB's travel and purchase card transactions. To that end, I instructed the OIG audit staff to develop an audit program that will review the past transactions for Fiscal Year 2010 and monitor the daily purchase card transactions through the end of the fiscal year. If we are again denied access to the systems, we will take appropriate action in accordance with the Inspector General Act.

I think it is important to note that the difficulty in dealing with the Director of Administration is not evidence of a systemic problem at the NLRB. Overall, the environment at the NLRB is supportive of the OIG mission, including appropriate support from the Chairman.

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Pursuant to your request for reports on all investigations, evaluations, and audits that have not been disclosed to the public and in accordance with the guidance provided to the Council of the Inspectors General on Integrity and Efficiency, I am providing a summary of each of the investigations closed between January 1, 2009 and April 30, 2010. Each summary provides a brief description of the allegation, the investigative findings, and the resulting criminal or administrative action.

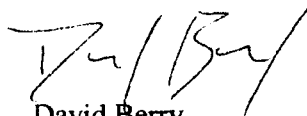
In addition to our investigations, we also produce audit and inspection reports and Issue Alerts. We consider each of those items to be public information, and we disclose them to Congress and the public through our Semiannual Report to Congress. We also post audit and inspection reports on the OIG portion of the NLRB Web site.

At no time has any NLRB official threatened or otherwise attempted to impede my office's ability to communicate with Congress. If such a situation should ever arise, I will immediately provide the information to you.

As requested, I have also enclosed a copy of the information provided to the Ranking Member of the House Committee on Oversight and Government Reform on outstanding audit recommendations that have not been fully implemented.

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nlrb.gov](mailto:david.berry@nlrb.gov).

Sincerely,



David Berry  
Inspector General

Enclosures (2)

cc: Chairman  
General Counsel

- **False Employment Application.** This investigation was initiated after we received a report that the subject, an Agency employee, submitted a false application for a higher graded position. Our investigation substantiated the allegation. The subject separated in lieu of disciplinary action. (OIG-I-444)
- **Internet Misuse.** After reviewing the Agency's Internet logs for an unrelated investigation, we determined that the subject was using the Agency's Internet access and laptop computer to view sexually graphic material. A forensic examination of the hard drive from the subject's Government computer substantiated the allegation and provided additional evidence that the subject used Agency equipment for outside business activity. When interviewed by the OIG, the subject admitted to engaging in the misconduct. After we issued an investigative report, the Agency and subject agreed that the subject would donate leave to the Agency's leave donor program in lieu of other disciplinary action. (OIG-I-442)
- **Failure to Pay Travel Card Balance.** We initiated this investigation after a review of the monthly travel card reports disclosed that the subject failed to pay the balance due. Our investigative efforts disclosed that charges on the travel card were proper in that they were related to official travel. Because we found that the subject had not misused the travel card for improper purchases, we referred this matter to the subject's managers to ensure that the balance was paid. (OIG-I-439)
- **Merit System Principles.** We received a complaint that the Agency provided an unlawful preference when it hired an employee. Although we did not find sufficient evidence to substantiate the allegation, we did find procedural issues involving the Merit System Principles. We resolved this matter through an Issue Alert. (OIG-I-438)
- **Internet Misuse.** After reviewing the Agency's Internet logs during an audit, we determined that more likely than not the subject was using the Agency's Internet access and laptop computer to view sexually graphic material. A forensic examination of the hard drive from the subject's Government computer substantiated the allegation. When interviewed by the OIG, the subject admitted to engaging in the misconduct. After we issued an investigative

report, the Agency and subject agreed that the subject would donate leave to the Agency's leave donor program in lieu of other disciplinary action. (OIG-I-436)

- **False Employment Application.** This investigation was initiated after we received a report that the subject, an Agency employee, submitted a false application for a higher graded position. Our investigation substantiated the allegation. The subject's employment with the Agency ended prior to management officials taking action based on the information in our investigative report. (OIG-I-434)
- **False Information.** We initiated this investigation after receiving information that the subject provided misleading information in a document that was provided to an Agency manager. After we initiated the investigation, we found that not only was the allegation substantiated, but that the subject provided similar misleading information in an official writing sent to an outside entity. We also found that the subject provided misleading information during the investigation. After issuing our investigation report, the subject was removed from employment with the Agency. (OIG-I-433)
- **Time and Attendance.** We initiated this investigation after receiving a complaint that the subject, a supervisor, was approving his own leave. What we found was that although the time and attendance records for the subject were certified by a manager in accordance with Agency policy, the subject was not requesting or receiving approval of the leave prior to the absence. We also found that the subject's leave usage could indicate a leave abuse situation. After our report was issued, the supervisor received informal counseling. (OIG-I-432)
- **Loss of Property.** We initiated this investigation after learning that certain inventoried property was missing. We found that two employees were involved in the taking of the property and that they took action to conceal the misconduct from Agency management. One of the employees also provided misleading information to the OIG. We recovered the property. The employee who provided misleading information to the OIG agreed to separate in lieu of disciplinary action. The second employee received a letter of reprimand. (OIG-I-431)

- **Travel Card Abuse.** We conducted an investigation involving an allegation that the subject misused the Government travel card. During a 3-month period, the subject made 22 purchases at gas stations that totaled \$934.38. During the same period, the subject was reimbursed \$192.36 for travel-related expenses – including \$62.50 for parking and tolls. Only five of the reimbursements occurred on or within 2 days of a travel card purchase by the subject. The subject also failed to pay the balance due on the travel card and the travel card account was terminated. During the investigation, the employee provided misleading statements to the OIG investigator. After we issued an investigative report, the subject received a 2-day suspension. (OIG-I-430)
- **Travel Card Abuse.** We conducted an investigation involving an employee who misused the Government travel card. During the 18 months preceding our investigation, the subject used the travel card on eight occasions to receive cash advances at casinos. The total amount of the cash advances, including the associated fees, was \$3,314.76. On two occasions, the subject used the travel card for food and lodging for total charges of \$240.03 that were not related to official travel. After we issued an investigative report, the subject received a 30-day suspension with an additional 30 days held in abeyance for a period of 2 years. (OIG-I-429)
- **Alteration of Records.** We initiated an investigation of an employee who altered Agency records for the benefit of a fellow employee. We determined that the allegation was substantiated. With regard to the employee who received the benefit, we determined that he was unaware of the nature of the wrongdoing. The U.S. Attorney's Office declined prosecution. After we issued an investigative report, the employee who made the alteration received a suspension and change in duties as disciplinary action. (OIG-I-426)
- **Transit Subsidy Fraud and Misleading Statement.** The OIG initiated an investigation of the subject who was suspected of driving to work while receiving the transit subsidy. The investigation substantiated the allegation. The U.S. Attorney's Office declined prosecution. After we issued an investigative report, the subject and the Agency entered into an alternative dispute resolution agreement involving a 5-day suspension that will be held in abeyance pending a year of good behavior. (OIG-I-425)

- **Abuse of Property and Insubordination.** We initiated an investigation of an employee who removed a computer hard drive from the office and apparently did something to destroy it. During the course of the investigation, we received additional information alleging that the employee wrongfully came into possession of official electronic files belonging to a management official, was insubordinate, and provided false and/or misleading information to the OIG. The U.S. Attorney's Office declined prosecution. After we issued an investigative report, the Agency issued to the subject a notice of proposed removal. Thereafter, the subject resigned. (OIG-I-420)
- **Contracting Irregularities.** OIG initiated an investigation of OCIO contracts with indemnification clauses that violated the Antideficiency Act and other contracting matters that were identified through an audit. The U.S. Attorney's Office declined prosecution of the Antideficiency Act violations. Our administrative investigation of the Antideficiency Act violations continued. The other contracting matters did not appear to be related to misconduct. [The Antideficiency Act violations were reported to the President, Congress, and Comptroller General on November 11, 2008. On December 31, 2008, the Agency reported that the violations were remedied]. (OIG-I-419)
- **Threats to a Board Agent.** The OIG initiated an investigation after a Board Agent received a threat from an employer. After we referred this matter to the appropriate U.S. Attorney's Office, the Federal Bureau of Investigation (FBI) took the lead on this matter. The employer then made additional threats to employees at the NLRB Headquarters. Thereafter, we worked jointly with the FBI to obtain evidence that substantiated the employer's criminal activity. The investigation resulted in an indictment of the subject on charges related to her threats to kill NLRB employees. The subject was convicted of making threats against a Federal employee and witness tampering. The subject was sentenced to 5 years confinement and 3 years probation. (OIG-I-417)
- **Fraud.** OIG initiated an investigation of an employee who was suspected of creating fraudulent leave and earnings statements for a third party who submitted them with an application for low income housing benefits. The U.S. Attorney's Office declined



prosecution. We then continued our investigation and found that the employee and other individuals, including another employee, used the fraudulent leave and earnings statements to receive state welfare benefits. The employee that was initially involved in the investigation resigned before we issued our investigative report. The second employee resigned in lieu of a removal action after our investigative report was issued.

Because the misconduct involved state welfare benefits, we provided our investigative results to the state prosecutor's office. The former employees were arrested then convicted of felony charges involving fraud and perjury. One former employee received a sentence of 210 days confinement, 120 hours of community service, and 2 years probation. The other former employee received a sentence of 4 days confinement, 250 hours of community service, 5 years probation , and make restitution of \$11,070. (OIG-I-412)



United States Government

NATIONAL LABOR RELATIONS BOARD

OFFICE OF INSPECTOR GENERAL

Washington, DC 20570-0001

April 14, 2010

The Honorable Darrell E. Issa  
Ranking Minority Member  
Committee on Oversight and Government Reform  
United States House of Representatives  
Washington, DC 20515-6143

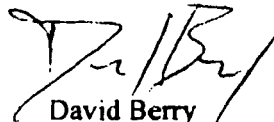
Dear Congressman Issa:

Pursuant to your request of March 24, 2010, I am providing to you, in the enclosed chart, a list identifying the Office of Inspector General's audit recommendations that remain open or have otherwise not been implemented by the National Labor Relations Board and an estimate of the monetary benefit associated with the recommendations. As requested, the enclosure also identifies what we consider to be the three most important unimplemented audit recommendations and the number of recommendations that we deemed accepted and implemented between January 5, 2009 and March 31, 2010.

With regard to your request for opinions about improving the Inspector General Act of 1978 (as amended), I support the initiatives of the Legislative Committee of the Counsel of Inspectors General on Integrity and Efficiency, as detailed in its April 2, 2010, letter to you.

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nlrb.gov](mailto:david.berry@nlrb.gov).

Sincerely,

  
David Berry  
Inspector General

Enclosure

cc: Chairman  
General Counsel

**1. Open and unimplemented recommendations:**

Twenty six

**2. Open or unimplemented recommendations with a cost savings:**

<b>Date</b>	<b>Audit</b>	<b>Recommendation</b>	<b>Amount</b>
12/11/09	OIG-F-14-10-01	Deobligate \$250,000 for an advance purchase of postage from FY 2009 funds and re-obligate the purchase to FY 2010 funds.	\$250,000
3/26/07	OIG-AMR-52-07-02	Obtain reimbursement for lunch breaks billed to the Agency on contract 40-060038.	\$1,150
9/30/03	OIG-AMR-39-03-04	Cease producing the Annual Report; or obtain an exemption from the Federal Reports Elimination and Sunset Act of 1995 to continue producing the Annual Report. *	\$57,000
1/24/03	OIG-AMR-38-03-01	Obtain reimbursement for the mileage overpayments of \$7,407.70	\$7,408

\* The total savings to date, had the recommendation been implemented, would be approximately \$342,000.

**3. Three most important open and unimplemented recommendations:**

**a. Continuity of Operations (OIG-AMR-55-07-03, September 18, 2007).**

We recommend that the Director of Administration ensure that all offices have a COOP plan that complies with Governmentwide directives. We also recommended that the plan include a telework policy.

- Management agreed with these recommendations. The Agency hired a COOP coordinator on February 1, 2010. The COOP Coordinator has been tasked with revising the Agency's COOP plans to ensure that they are in conformance with Federal Continuity Directives 1 and 2.
- No cost savings were associated with this recommendation.
- Management estimates that action will be completed on these recommendations by the end of Fiscal Year 2010.

- b. Audit of the NLRB Fiscal Year 2006 Financial Statements (OIG-F-11-07-01, December 12, 2006).

We recommend that the Chief Information Officer correct identified information technology security vulnerabilities.

- Management agreed with this recommendation. In September 2009, OIG personnel met with Office of the Chief Information Officer personnel to renew efforts to implement this recommendation. As a result of that meeting, a detailed action plan was developed.
- No cost savings were associated with this recommendation.
- Management expects to have this recommendation implemented by July 2010.

- c. Laptop Computer Accountability and Security (OIG-AMR-59-09-01, February 27, 2009).

We recommend that the Chief Information Officer develop and maintain a system or process that will provide proper internal control over the Agency's laptop computers throughout their asset life cycle.

- Management agreed with this recommendation. Management developed a number of manual internal controls and is presently procuring inventory control software to automate the process.
- No cost savings were associated with this recommendation.
- Management expects to have this recommendation implemented by August 2010.

Although we did not specify cost associated with these three recommendations, the recommendations are designed to reduce certain risks associated with the NLRB's programs and operations. By reducing those risks, the likelihood of loss and inefficiency are likewise reduced.

4. Number of recommendations the Office of Inspector General deemed accepted and implemented between January 5, 2009 and March 31, 2010:

Four





United States Government

NATIONAL LABOR RELATIONS BOARD

OFFICE OF INSPECTOR GENERAL

Washington, DC 20570-0001

February 16, 2012

The Honorable Michael B. Enzi  
Ranking Member  
Committee on Health, Education, Labor  
and Pensions  
United States Senate  
Washington, DC 20510

Dear Senator Enzi:

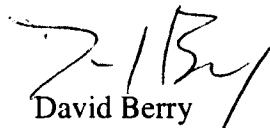
This letter is in response to your request of January 24, 2012, for periodic reports for information regarding the Office of Inspector General (OIG), National Labor Relations Board (NLRB).

Pursuant to your request for information on all investigations, evaluations, and audits that have not been disclosed to the public and in accordance with the guidance provided to the Council of the Inspectors General on Integrity and Efficiency, I am reporting that all such reports were disclosed in our April 1, 2011 – September 30, 2011 Semiannual Report to Congress. Additionally, all audit and inspection reports were posted on the OIG portion of the NLRB's Web site. I have included as an enclosure a list of the investigations that were closed during the reporting period.

Since our last report on these matters, we have not experienced any delays in being granted access to information within the control of the NLRB. At no time has any NLRB official threatened or otherwise attempted to impede the OIG's ability to communicate with Congress. If such a situation should ever arise, I will immediately provide the information to you. I can also report that we continue to receive appropriate support from the Board and Acting General Counsel.

I appreciate your interest in the work of Inspectors General. If you have any questions or require additional information, please contact me at (202) 273-1960 or [david.berry@nlrb.gov](mailto:david.berry@nlrb.gov).

Sincerely,

  
David Berry  
Inspector General

Enclosure

cc: Board  
Acting General Counsel

<b>Case Number</b>	<b>General Nature of Allegation</b>	<b>Reported in Semiannual Rpt</b>
OIG-I-454	Improper release of Social Security numbers.	Not reported in SAR (not substantiated).
OIG-I-453	Improper procurement of Google ads.	Reported in April SAR.
OIG-I-450	Stolen laptop computers.	Not reported in SAR (laptops not recovered).
OIG-I-443	Improper release of procurement information.	Reported in April 2011 and October 2011 SARs.
OIG-I-441	Outside employment.	Reported in April 2011 SAR.
OIG-I-437	Negligent processing of unfair labor practice complaint.	Reported in October 2010 SAR.