



Office of Audit Workplan

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


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Fiscal Year 2024

Message from the Assistant Inspector General for Audit

I am pleased to provide the Office of Inspector General's (OIG) Audit Workplan for Fiscal Year (FY) 2024. We prepared this workplan to inform U.S. Department of Labor (DOL or Department) agencies and Congress of audits and reviews that will be completed or initiated in FY 2024. Our audits in the workplan are presented by DOL agency and then further broken down into mandatory and discretionary audits. This workplan does not include unanticipated work that will come from legislative mandates, congressional requests, DOL requests, or emerging programmatic issues.

Mandatory audits are those required by law or regulation. For example, the Chief Financial Officers Act of 1990 requires an annual audit of DOL's financial statements, which is our largest mandatory audit. Other mandatory audits relate to DOL's mission-critical information systems and the Workers' Compensation Programs.

After we commit resources to all mandatory audits, we use our remaining funds for discretionary audits. We decide which discretionary audits to conduct based on risk and potential impact on DOL's mission and goals. Additionally, we use these funds to perform audits in response to allegations of fraud, waste, and abuse from various sources.

We prepared this Audit Workplan by considering risks to major DOL programs that may prevent DOL from achieving strategic goals and objectives under its FY 2022–2026 Strategic Plan.



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FY 2024 Audit Workplan

Benefits Review Board (BRB)

Discretionary Audit

- 1. BRB Backlog of Black Lung and Longshore and Harbor Worker Claims – New.** The BRB decides appeals from the Office of Administrative Law Judges (OALJ) under the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act, and the Longshore and Harbor Workers' Compensation Act extensions, including the Defense Base Act (DBA). In FY 2020 and FY 2021, there was a large influx of DBA cases, which the Department predicts will continue in FY 2022 and FY 2023. According to Department officials, this influx of DBA cases is the most important new challenge for the OALJ and BRB. In addition, OALJ expects to increase production with additional budget and full-time employees. In FY 2022, the BRB had a backlog of 648 Black Lung appeal cases with an average processing time of 16.8 months and a backlog of 97 Longshore/DBA appeal cases with an average processing time of 12.5 months. The continued increase of Longshore/DBA appeal cases since FY 2020, along with a continued influx of new Black Lung and Non-DBA Longshore appeal cases, could impact BRB appeal case processing times and increase BRB's backlog of appeal cases, delaying claimants from receiving vital benefits. This audit will focus on BRB's efforts to expeditiously adjudicate Black Lung and Longshore (DBA and Non-DBA) appeals and reduce the backlog of appeal cases.

Employee Benefits Security Administration (EBSA)

Discretionary Audit

- 2. EBSA’s Mental Health Parity Compliance Efforts – New.** In 2008, Congress passed the Mental Health Parity and Addiction Equity Act to ensure that financial requirements and treatment limitations applicable to mental health and substance use disorder benefits under group health plans and health insurance coverage are not more restrictive than those applicable to medical/surgical benefits. In the Consolidated Appropriations Act of 2021, Congress amended the Mental Health Parity and Addiction Equity Act to require group health plan and health insurance issuers to perform and document comparative analyses to ensure compliance with its requirements. Many group health plan and health insurance issuers are not complying with existing requirements, which are enforced by EBSA for approximately 134.2 million workers and their families for all employer-sponsored health insurance. This audit will focus on assessing the extent of EBSA’s enforcement of mental health parity laws and regulations.
- 3. EBSA’s Oversight of Limited-Scope Audits – New.** The Employee Retirement Income Security Act of 1974 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 allows auditors to perform “limited-scope audits.” Such audits exclude pension plan assets already certified by certain banks or insurance carriers and provide little to no confirmation regarding the actual existence or value of the assets. In 2013 and 2014, we reported¹ that as much as \$3 trillion in pension assets, including assets in hard-to-value alternative investments, received limited-scope audits. 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 Section 103(a)(3)(C) of the act and imposed new performance requirements on plan management and auditors. This audit will follow up on our prior work and update how the changes in accounting standards and any actions taken by EBSA since then have impacted EBSA’s oversight of benefit plan assets covered by Employee Retirement Income Security Act of 1974 Section 103(a)(3)(C) audits.

¹ EBSA Needs to Provide Additional Guidance and Oversight to ERISA Plans Holding Hard-to-Value Alternative Investments, Report No. 09-13-001-12-121 (September 30, 2013)

Employment and Training Administration (ETA)

Mandatory Audits

Job Corps

- 4. Job Corps Firm-Fixed Price Contract Transition – New.** In 2019, Job Corps began to transition its center operations contracts from cost-reimbursement to firm-fixed-price. As of March 2023, Job Corps had transitioned over 60 center operations contracts and expected to complete this transition in 2024. While firm-fixed-price contracting allows for greater cost predictability, costs are generally higher because contractors need to mitigate the risks of rising prices and cost overruns. At the same time, firm-fixed-price contracting requires an increased focus on monitoring and oversight to ensure center operators do not cut costs by reducing the quantity or quality of services provided to Job Corps students. This audit will focus on Job Corps' strategy for awarding and monitoring firm-fixed-price contracts and the effect of this transition on students and program performance.
- 5. Job Corps Minor Students – In Progress.** Job Corps' students are ages 16 to 24 upon entry into the program. The significant age range poses numerous challenges. Given the occurrence of sexual assaults and harassment on center campuses, there is an inherent risk with having adults up to 27 years of age cohabitate with minors as young as 16 years old. Some Job Corps minors may (1) have been encouraged to enroll by their parents or guardians, (2) not be in the program of their own volition, (3) not take the program seriously, and (4) disrupt program instruction, which impacts the learning of other students. Furthermore, minor students may not meet minimum age requirements for certain trades, affecting their ability to obtain employment in certain fields, such as plumbing and electrical trades, possibly leading to lower program outcomes and not meeting the intent of the Job Corps program. This audit will focus on whether Job Corps took appropriate measures to mitigate program disruptions and ensure the safety of and meet the program's intent for its minor students.

Discretionary Audits

ETA Contract and Grant Programs

6. **COVID-19: Assessment of ETA Job Training Programs Results – New.** In March 2020, the COVID-19 pandemic caused many of ETA’s job training programs to cease operation. This interrupted participants’ job training, potentially preventing them from completing their training and getting a job in the areas in which they were trained. During our pandemic oversight work, we reported numerous issues with ETA’s management of federal grant funds. This assessment of the OIG’s series of COVID-19: ETA Grantee Sub-Recipient audits will summarize the overall effectiveness of ETA job training programs during the pandemic and evaluate ETA’s implementation of lessons learned in preparation for future states of emergency.
7. **ETA Registered Apprenticeship Program – New.** In February 2021, President Biden expanded the Registered Apprenticeship Program to support nearly 1 million apprenticeship opportunities and focus the program on increasing access for underrepresented groups. Congress invested a total of \$520 million into the program in FY 2022 and 2023. However, a prior OIG audit of the American Apprenticeship Initiative Grant Program found systematic weaknesses in the execution of the grants, as well as the planning and awarding processes. This audit will assess the effectiveness of ETA’s administration of the Registered Apprenticeship Program.
8. **COVID-19: ETA Grantee Sub-Recipient – In Progress.** In March 2020, the COVID-19 pandemic caused many of ETA’s job training programs to cease operation. This interrupted participants’ job training, potentially preventing them from completing their training and getting a job in the areas in which they were trained. This series of audits will focus on how effectively ETA ensured workforce development grant funds were used as intended in selected states.
9. **ETA’s Administration of Disaster Dislocated Worker Grants – In Progress.** Public Law 116–20 provided ETA with an additional \$50 million for the dislocated workers assistance national reserve for necessary expenses directly related to the consequences of Hurricanes Florence and Michael, Typhoon Mangkhut, Super Typhoon Yutu, wildfires, and earthquakes that occurred in calendar year (CY) 2018, and tornadoes and floods that occurred in CY 2019. Dislocated Worker Grants (DWG) provide resources to states and other eligible applicants to respond to large, unexpected layoff events causing significant job losses. Additionally, disaster DWGs provide funding to create temporary employment opportunities to assist with clean-up and recovery efforts, and employment and training services to eligible grant participants. A prior OIG DWG report found ETA provided minimal oversight of its state grantees and needs to do more to ensure grantees help local areas to restore communities timely; ensure out-of-work participants receive expeditious disaster relief assistance; maximize

the number of participants who obtain employment as intended by the grants; and ensure disaster relief funds are used efficiently and effectively. This audit will focus on the extent ETA properly administered the DWG program to provide assistance in the aftermath of the 2018 and 2019 disasters.

Foreign Labor Certification

10. Backlog of H-2B Temporary Non-agricultural Program Visa Applications – New. In 2018, the OIG issued a report that found ETA's lack of key controls over the processing of H-2B visa applications had negatively impacted businesses that depended on H-2B workers. ETA could not demonstrate its processing of applications provided enough time for the U.S. Department of Homeland Security and the U.S. Department of State to perform their functions and enable employers to hire H-2B workers within the timeframe required. Any delays, particularly for seasonal industries, would have serious adverse effects on business owners and local economies. Further, in 2020, we reported that ETA's processing of H-2B applications continued to be an area of concern, causing backlogs and impacting dependent businesses. This audit will focus on ETA's processing of H-2B applications, specifically the timeliness of processing prevailing wage determinations and whether improvements to the review process have reduced the application backlog.

11. Effectiveness of ETA's Permanent Labor Certification Program (PERM) Application Processing Time – New. The PERM program allows employers to hire foreign workers when (1) there are not sufficient U.S. workers able, willing, qualified, and available to accept the job opportunity in the area of intended employment; and (2) the employment of foreign workers will not adversely affect the wages and working conditions of similarly employed U.S. workers. When submitting a PERM application, the employer is required to execute recruiting efforts for U.S. workers within 6 months of filing an application. Based on August 2022 data, once the employer submits the application to ETA, the average processing time to receive an approved application from DOL is between 8 and 11 months, depending on ETA's review process. Due to the lengthy average processing time for applications, there is little assurance by the time a foreign worker is approved for permanent resident status that a U.S. worker was still not available and able to perform the same job. This audit will focus on ETA's PERM application review process and effectiveness in ensuring U.S. workers were still not available and able to perform the job.

12. Effectiveness of ETA's Approval of H-2A Temporary Agricultural Program Visa Applications – In Progress. The H-2A temporary agricultural program allows agricultural employers who anticipate a shortage of domestic workers to bring nonimmigrant foreign workers to the United States to perform agricultural labor or services of a temporary or seasonal nature. To be able to hire H-2A workers, employers must self-attest (1) there are no sufficient able, willing, and qualified U.S. workers available to perform the temporary and seasonal

agricultural employment, and (2) the employment of H-2A workers will not adversely affect the wages and working conditions of similarly employed U.S. workers. This audit will focus on the effectiveness of ETA's approval process and comparing the self-attestations to supporting documentation.

Older Worker Program

13. Senior Community Service Employment Program's Effectiveness –

New. The Senior Community Service Employment Program is the only federally sponsored employment and training program targeted specifically to low-income, older individuals seeking to enter or reenter the workforce. In FY 2021, ETA proposed eliminating the program because it has struggled to achieve its goal of transitioning half of its participants who complete the program into unsubsidized employment. Further, ETA noted in its FY 2021 Congressional Budget Justification that nearly half of the program participants do not complete the program. If the program continues to underperform, \$405 million in program funding requested for FY 2024 is at risk of not being effectively used to help older Americans achieve economic self-sufficiency. This audit will focus on identifying program weaknesses to assist ETA in improving the effectiveness of the Senior Community Service Employment Program in serving older Americans find unsubsidized employment.

Unemployment Insurance (UI) Program

14. American Rescue Plan Act (ARPA) Equity Grants – New. ARPA, as amended by the Fiscal Responsibility Act of 2023, provided \$1 billion in funding to DOL to prevent and detect fraud, promote equitable access, ensure timely payment of benefits, and reduce backlogs. Of these funds, DOL provided approximately \$219 million in grants to improve UI claimant outreach and customer service processes, implement strategies to reduce backlog, and improve access for workers in communities that may historically experience barriers. These first-of-their-kind grants, referred to as "Equity Grants," will provide funding for states to improve public awareness and service delivery as DOL seeks to address potential racial and ethnic disparities in the administration and delivery of UI benefits in select states. This audit will focus on DOL's and states' effectiveness in addressing the potential racial and ethnic disparities in the UI program.

15. Benefit Accuracy Measurement and Overpayment Prevention – New. ETA's Benefit Accuracy Measurement (BAM) system was designed to determine the accuracy of UI program paid and denied benefit claims, as well as the root causes of improper payments. However, the system did not consider temporary federally funded pandemic-related UI benefits, currently estimated at \$888 billion. The BAM system has calculated an improper payment rate estimate of up to 21.52 percent within the last 2 years—for regular UI programs alone. Our prior work indicates the rate was likely higher than 21.52 percent. This audit will assess ETA's use of the BAM system as a tool to measure states' UI program

performance and identify root causes to reduce improper payments in UI programs.

16. Audit of DOL and States Oversight of UI Claimants Return to Work – New.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and its related extensions provided additional UI benefits to claimants who lost their employment due to the COVID-19 pandemic. The Continued Assistance to Unemployed Workers Act created Section 2117 within the CARES Act included requirements for states participating in CARES Act UI-related provisions to have a process for addressing work refusals, to have a reporting method for employers, and to provide certain notifications to individuals. This audit will focus on DOL's and states' compliance with return-to-work provisions under the CARES Act.

17. COVID-19: CARES Act Unemployment Insurance Programs Results - New.

At the start of the pandemic, we had significant concerns regarding the UI programs authorized by the CARES Act—based on both previous OIG work regarding ETA and states' ability to implement the emergency response and on the high-risk nature of the programs. The early pandemic period saw the largest increase in UI claims since the Department began tracking data in 1967, a level far higher than state systems were designed to handle.² During the first three of four planned phases of our pandemic response oversight work, we focused on identifying areas for improvement related to the implementation and administration of emergency UI programs and impacts on operations. Over the past 3 years, our reporting has identified continuing program weaknesses in internal controls, reporting, and program monitoring. As of February 8, 2023, we estimated at least \$191 billion in pandemic UI payments could have been paid improperly, with a significant portion attributable to fraud. As we wrap up our pandemic response oversight work, we remain significantly concerned about the expeditious and effective deployment of UI benefits, especially in response to natural disasters and emergencies. Lessons learned are key to adequate preparation, and proactively strengthening UI program for both ordinary circumstances and in advance of the next emergency will require DOL to focus on prevention. This assessment will present overall program results from our oversight of DOL's UI pandemic response, impacts on agency operations, and lessons learned to assist DOL in improving its unemployment programs and operations in advance of future emergencies.

18. Unemployment Insurance Information Technology Modernization – New.

After the pandemic's emergence in early 2020, we reported on states' struggles to implement pandemic-related UI programs and prevent improper payments, including fraud, while processing the drastically increased number of claims. We found that this occurred in part because states' information technology systems

² COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs, Report No. 19-21-004-03-315 (May 28, 2021), available at: <https://www.oig.dol.gov/public/reports/oa/2021/19-21-004-03-315.pdf>

were not modernized. Responding to the COVID-19 pandemic, Congress funded \$2 billion but later reduced this to \$1 billion to modernize the nation's UI systems. The initiative, led by the Office of Unemployment Insurance Modernization, focuses on three main goals: (1) fraud detection and prevention, (2) timely benefit delivery, and (3) promoting equitable access. To achieve these goals, the Office of Unemployment Insurance Modernization has provided targeted grants to states and territories, offered improved guidance, directed assistance, and piloted tech-driven solutions. This audit will assess how well the Employment and Training Administration and the Office of Unemployment Insurance Modernization have upgraded state information technology systems and prepared states' UI programs to operate more effectively and efficiently, and to handle similar situations in the future.

19. COVID-19: Audit of DOL and States' Efforts to Detect and Recover Improper Payments – In Progress.

Under the CARES Act, ETA was required to implement large-scale changes to its existing UI system, including establishing six new programs. The new programs were intended to provide expanded UI benefits to workers who were suddenly jobless as a direct result of the COVID-19 pandemic. Given the challenge of rapidly implementing new programs during a crisis, ETA and states faced an additional hurdle of using controls, previously identified as weak and deficient in published OIG reports and alert memorandums, to process more than 77 million seasonally adjusted initial jobless claims and 571 million seasonally adjusted continued claims over the course of the pandemic's first year. According to the OIG's conservative estimate as of January 2, 2021, such circumstances increased the risk of UI improper payments (including fraud, waste, and abuse) to exceed a total of \$40 billion. This audit focuses on determining if ETA ensured states had adequate controls to prevent, detect, and recover improper payments stemming from UI benefits under the CARES Act and the Continued Assistance Act.

20. COVID-19: Audit of States' Use of Staffing to Support Implementation of CARES Act UI Programs – In Progress.

During the COVID-19 pandemic, the unprecedented high rate of unemployment led to challenges for states in processing UI claims, completing mandatory reporting, and performing required overpayment detection procedures due to insufficient staffing. DOL and states found themselves unprepared for the circumstances surrounding COVID-19 and struggled to implement CARES Act UI programs, while unemployed workers faced lengthy delays in receiving UI benefits. The CARES Act provided states with temporary "emergency" flexibility through December 31, 2020, for additional staffing and to quickly process unemployment claims, and subsequent legislation extended these CARES Act UI provisions. This audit focuses on DOL's efforts to ensure states' staffing supported the implementation of UI programs under the CARES Act and its amendments.

21. COVID-19: Short-Time Compensation (STC) Program – In Progress.

Passage of the CARES Act expanded UI program benefits to new and existing

programs, including the STC program. The CARES Act included provisions that increased the federal reimbursement to 100 percent of benefits for states that have an STC program in their laws and provided for a 50 percent reimbursement for states that do not have an STC program in their laws but agreed to operate a program on a temporary basis. The STC program acts as a work share program, with employers reducing the number of hours offered to employees, while the state makes up the difference in the form of benefit payments. ETA provided states with an estimated \$1.3 billion for benefit reimbursements and \$18.7 million administrative costs. Twenty-six states have participated in the program. This audit will determine how states implemented the STC program for the benefit of unemployed individuals and to meet the intent of the program.

22. COVID-19: Mixed Earners Unemployment Compensation (MEUC) – In Progress. The MEUC program is a new temporary federal program under the Continued Assistance Act and ARPA. It provided additional benefits to certain self-employed individuals who are available for work for the week ending January 2, 2021, through the week ending September 4, 2021. This audit will determine how states implemented the MEUC program for the benefit of unemployed individuals and to meet the intent of the program.

23. Pandemic Response Accountability Committee (PRAC) – DOL Programs – Case Study Project (Part 2) – In Progress. The focus of this oversight project will be to identify the federal pandemic response program funds provided to select geographic areas, identify the purpose of those funds, and determine if the federal program spending aligned with the intended goals and objectives. This project is under the direction of the PRAC and is being conducted in coordination with nine other OIGs.

24. COVID-19: ETA and States' Efforts to Address Multistate UI Claimants – In Progress. In September 2022, we alerted DOL to over \$45 billion we had identified in potential fraud paid in four high-risk areas. Multistate claimants were the largest high-risk area. Through ETA, the OIG provided states with our underlying methodology, as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims.

25. COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Social Security Numbers of Deceased Persons – In Progress. In September 2022, we alerted DOL to over \$45 billion we had identified in potential fraud paid in four high-risk areas. One high-risk area was UI claimants filing with Social Security numbers (SSN) of deceased persons. Through ETA, the OIG provided states with our underlying methodology, as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims filed with SSNs of deceased persons.

- 26. COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Social Security Numbers of Federal Prisoners – In Progress.** In September 2022, we alerted DOL to over \$45 billion we had identified in potential fraud paid in four high-risk areas. One high-risk area was UI claimants filing with SSNs of federal prisoners. Through ETA, the OIG provided states with our underlying methodology, as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims filed with SSNs of federal prisoners.
- 27. COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Suspicious Email Accounts – In Progress.** In September 2022, we alerted DOL to over \$45 billion we had identified in potential fraud paid in four high-risk areas. One high-risk area was UI claimants filing with suspicious email accounts. Through ETA, the OIG provided states with our underlying methodology as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims filed with suspicious email accounts.
- 28. COVID-19: Impact of Waivers on UI Overpayments, Fraud Investigations, and Recoveries – In Progress.** On February 7, 2022, DOL issued Unemployment Insurance Program Letter (UIPL) 20-21, Change 1, regarding states' ability to waive the recovery of certain UI overpayments under the CARES Act program. There are concerns these waivers could adversely impact the pursuit of fraud in the UI program. Also, the waivers could potentially allow for fraudulent CARES Act UI payments to go uncollected. This audit will determine the impact of waivers on UI overpayments, fraud investigations, and recoveries.
- 29. DOL-SBA COVID-19 Joint Project: Opportunities to Share Data to Prevent and Mitigate Fraudulent UI and Economic Injury Disaster Loan Payments – In Progress.** The Small Business Administration (SBA) OIG and DOL OIG have reported billions in potential fraudulent UI and Economic Injury Disaster Loan payments during the COVID-19 pandemic. In reviewing how to be better prepared for the next national emergency, the DOL OIG is collaborating with the SBA OIG on a joint review to determine if collaboration, including data sharing between ETA and SBA, could prevent or mitigate the risk of future fraudulent UI and Economic Injury Disaster Loan payments or disbursements.

Mine Safety and Health Administration (MSHA)

Discretionary Audits

- 30. MSHA Grant Programs – New.** MSHA is responsible for administering two types of annual grant programs. The state grant program distributes formula grants to state agency programs in 49 states and the Navajo Nation to support health and safety training and reduce mining accidents, injuries, and illness. The Brookwood-Sago Mine Safety Grants Program, established by the Mine Improvement and New Emergency Response (MINER) Act of 2006, distributes discretionary grants to develop education and training programs to better identify, avoid, and prevent unsafe working conditions in and around mines. The 2023 program announcements for these two programs included funding levels of \$10.5 million (estimated 56 grantees) and \$1 million (up to 20 grantees), respectively. MSHA designs the goals of each grant program based on changing training priorities. Grantees report funding and performance data quarterly to MSHA, which factor into MSHA’s grantee monitoring and evaluation of program success. Without sufficient internal controls, reliability of the grantee reported data may be compromised and could result in deteriorated program oversight or performance. This audit will assess whether MSHA properly designed and executed the grant programs and included sufficient internal controls within its grantee reporting system(s) to help ensure programmatic success.
- 31. Mine Rescue Response Plan – New.** When disaster strikes, a well-prepared mine rescue effort can mean the difference between life and death for trapped miners. Insufficient personnel, equipment, or training could hamper MSHA’s ability to respond quickly and effectively in mine rescue situations. Prior OIG work found MSHA had not provided adequate oversight of mine emergency response plans, which included planning by both mine operators and MSHA. This audit will assess MSHA’s preparedness in responding to emergencies requiring mine rescue operations.
- 32. COVID-19: Impact on Miner Training – In Progress.** There were 39 mining fatalities in 2021, which is the highest total since 2014. Many fatalities can be prevented by properly training miners and applying industry best practices. There are training requirements for both new and experienced miners. However, the COVID-19 pandemic has impacted the way miner training is provided. During a December 2021 MSHA stakeholder call, a participant expressed concern that entirely virtual training during the pandemic did not meet regulatory requirements. The risk for accidents and fatalities increases when miners are improperly trained. This audit will look at how the COVID-19 pandemic affected miner training.

Office of Federal Contract Compliance Programs (OFCCP)

Discretionary Audits

- 33. OFCCP's Enforcement of Equal Employment Opportunity Obligations – New.** OFCCP is charged with protecting America's workers by enforcing equal employment opportunity and affirmative action obligations of employers that conduct business with the federal government as contractors. OFCCP focuses on identifying patterns of systemic discrimination in employer personnel practices, including hiring, promotion, and compensation, when it conducts compliance evaluations of contractors. OFCCP also monitors contractors' and subcontractors' compliance with affirmative action obligations. With more than \$1 trillion allocated in the Infrastructure Investment and Jobs Act, OFCCP will play a vital role in ensuring these federal investments create good jobs that provide equal opportunity to all. This audit will focus on the effectiveness of OFCCP's enforcement of anti-discrimination and affirmative action obligations through compliance evaluations.

Occupational Safety and Health Administration (OSHA)

Discretionary Audits

- 34. COVID-19: Assessment of OSHA Pandemic Program Results – New.** The World Health Organization declared the COVID-19 outbreak a public health emergency of international concern on January 30, 2020, and ended its declaration on May 05, 2023. As of June 9, 2023, the OIG's pandemic response oversight work has resulted in 35 published audit reports with 90 recommendations to reduce programmatic vulnerabilities and \$68.7 billion in funds for better use. Of these 35 audits, 9 were directed at improving the efficiency, economy, and effectiveness of OSHA operations during the pandemic. For example, we found that, despite receiving 15 percent more complaints in 2020 than in 2019, OSHA conducted 50 percent fewer inspections and did not identify federal partners in a position to assist during a large-scale health crises such as the pandemic. Similarly, we found OSHA lacked complete information on employer-reported injuries and illnesses, including COVID-19 infection rates at worksites. We also found OSHA closed inspections without ensuring it received and reviewed all items requested from employers to demonstrate alleged

COVID-19 health hazards had been mitigated. Due to the lack of citations, incomplete information on infection rates at worksites, and insufficient evidence of hazard mitigation, there was a heightened risk of workers being exposed to the virus. This assessment will determine the actions OSHA has taken to address these issues and the efforts underway to ensure improved processes during future states of emergency.

Office of Labor–Management Standards (OLMS)

Discretionary Audit

35. OLMS Enforcement of Employer and Consultant Reporting Requirements – In Progress. OLMS promotes transparency throughout the labor community by enforcing multiple reporting obligations. The Labor–Management Reporting and Disclosure Act of 1959 requires employers, labor relations consultants, and other entities to report certain expenses and agreements to the Department of Labor, such as those relating to activities to dissuade or persuade employees from exercising their rights to union representation or collective bargaining. The disclosure of this information is necessary to protect the rights and interests of employees. Even though these reports are legally required, there is evidence suggesting many employers and their consultants are not filing them. In 2021, the National Labor Relations Board found at least 1,125 union-organizing campaigns, and employers hired persuader consultants in approximately 75 percent of those campaigns. However, OLMS received only 166 required reports. As a result, OLMS requested the OIG review its efforts to enforce the Act’s requirements and improve employers’ and consultants’ reporting.

Office of the Assistant Secretary for Administration and Management (OASAM)

Mandatory Audit

36. Federal Information Security Management Act (FISMA) Audit – Annual. In performing its various missions, DOL collects and processes sensitive information through approximately 77 major information systems. FISMA recognizes the significant risks involved with IT and its important role in fulfilling agency missions. As such, FISMA sets a framework for securing all federal

government systems by developing security standards and methods for measuring the effectiveness of those security standards. This audit will focus on the status of the DOL Information Security Program in implementing an effective framework to secure DOL information systems.

Discretionary Audits

- 37. DOL IT Contingency Planning Audit – In Progress.** IT Contingency Plans are a key component for the recovery and continuity of operations when disasters (natural disasters or malicious actors) strike an agency or its IT systems. The Office of the Chief Information Officer (OCIO) is now the Authorizing Official of DOL's 65 IT systems and is responsible for the continuity of these mission critical systems. As such, the requirements for contingency plan testing of all those systems now fall to the OCIO staff. Prior FISMA work indicated problems with OCIO's contingency planning, including not ensuring sufficient backup testing of its systems. With incomplete or impartial contingency planning of so many systems across a variety of agencies and geographic areas under OCIO's purview, the potential for substantial system downtime or non-recovery of data when a contingency arises is elevated. The lack of availability of DOL systems could impact the Department's ability to fulfill its critical missions and legislative requirements. This audit will focus on what efforts OCIO is undertaking to maintain and test the contingency plans across all DOL systems, with particular focus on the 65 systems under OCIO's direct control.
- 38. DOL Wireless Network Environment – In Progress.** DOL's wireless network has been deployed across all 50 states at approximately 400 locations within all DOL-owned and associated buildings for DOL's 20,000 users. Wireless networks are being deployed to replace DOL's current hardwired (cables) infrastructure. Wireless technology inherently contains high risks if not properly configured or maintained, as the information can be received by anyone within the range of the wireless device. Without operating secure wireless networks that include boundary controls between networks and active monitoring, DOL is vulnerable to the breach of its high-value IT assets, which could cripple DOL operations and result in the loss of highly sensitive data. Our audit will focus on whether DOL deployed and operated a secure wireless network infrastructure across all of its agencies and supported and/or funded mission sites. We intend to not only focus on the policy and procedures but also test the effectiveness of DOL's implementation through technical testing.
- 39. IT Modernization – In Progress.** IT modernization is critical to preventing security breaches, excessive costs, missed deadlines, and low-quality IT products and services. DOL transitioned to an IT Shared Services model, providing OASAM greater control over IT and IT funding. This audit focuses on the management of IT modernization efforts across the Department, including software integration, legacy systems, and shared services.

Office of the Assistant Secretary for Policy (OASP)

Mandatory Audits

40. DOL Implementation of Geospatial Data Audit – Biannual. Congress enacted the Geospatial Data Act of 2018 (GDA) to foster efficient management of geospatial data, technologies, and infrastructure through enhanced coordination among federal, state, local, and tribal governments, along with the private sector and academia. The GDA applies to federal agencies that collect, produce, acquire, maintain, distribute, use, or preserve geospatial data. To improve the management and oversight of geospatial data and related investments, the GDA identified 13 requirements for federal agencies to implement. This audit will focus on the extent DOL implemented the requirements and improved its management of geospatial data.

Office of the Chief Financial Officer (OCFO)

Mandatory Audits

41. DOL Consolidated Financial Statements Audit – Annual. We will determine if DOL's consolidated financial statements present fairly, in all material respects, the financial position of DOL as of September 30, 2024. We will consider DOL's internal controls over financial reporting and test DOL's compliance with applicable laws, regulations, contracts, and grant agreements that have a direct and material effect on the consolidated financial statements.

42. Review of DOL's Improper Payment Reporting in the Annual Financial Report – Annual. In FY 2022, the UI program and Federal Employees' Compensation Act (FECA) reported outlays of \$85.2 billion and \$2.9 billion, respectively, with an estimated improper payment rate of 21.52 percent and 3.03 percent, respectively. Based on DOL's risk assessments, the UI and FECA programs continue to be considered the most susceptible to improper payments of all DOL programs. This audit will determine if DOL complied with the Payment Integrity Information Act of 2019, which required DOL to (1) conduct a program-specific risk assessment for each required program or activity; (2) publish and meet annual reduction targets for each program assessed to be

at risk for improper payments; and (3) report information on the efforts of each program to reduce improper payments.

Office of Workers' Compensation Programs (OWCP)

Mandatory Audits

- 43. Report Relating to the Federal Employees' Compensation Act Special Benefit Fund – Annual.** We will determine if (1) the Schedule of Actuarial Liability, Net Intra-Governmental Accounts Receivable, and Benefit Expense was fairly presented for the year ending September 30, 2024; and (2) internal controls over financial reporting related to the Schedule were in compliance with laws and regulations that could have a direct and material effect on the Schedule.
- 44. Longshore and Harbor Workers' Compensation Act (LHWCA) Special Fund – Annual.** We will determine if DOL's LHWCA Special Fund financial statements presented fairly, in all material respects, the financial position of the LHWCA Special Funds as of September 30, 2023.
- 45. District of Columbia Workmen's Compensation Act (DCCA) Special Fund Financial Statement Audits – Annual.** We will determine if DOL's DCCA Special Fund financial statements presented fairly, in all material respects, the financial position of the DCCA Special Funds as of September 30, 2023.
- 46. FECA Statement on Standards for Attestation Engagements No. 18 – Annual.** We will determine if DOL's Integrated Federal Employees' Compensation System transaction processing for application and general controls, as described in the report, were fairly presented, suitably designed, and effectively operating for the period October 1, 2023, through June 30, 2024.

Discretionary Audits

- 47. OWCP Longshore War Hazards Compensation Act Claims – New.** OWCP provides compensation for the injury, disability, death, or enemy detention of employees of contractors with the United States, and for other purposes as part of its responsibilities from the War Hazards Compensation Act, which is an important aspect of the Defense Base Act. Over the past 2 years, Congress has raised concerns about OWCP's (1) timeliness and thoroughness in processing War Hazards Compensation Act claims; (2) possible backlog of unprocessed and/or unpaid claims totaling hundreds of millions of dollars; and (3) processes for securely collecting and safeguarding associated claims data. This audit will

examine the effectiveness of OWCP's claims processing efforts in this area over the past 5 years and OWCP processes for securely collecting and safeguarding claims data from insurers, including any Personal Identifiable Information (PII) and Personal Health Information (PHI).

- 48. OWCP Medical Bill Payment Processing Data Integrity Follow-Up – New.** In 2020, OWCP launched a new medical bill payment processing system, the Workers' Compensation Medical Bill Processing (WCMBP) system. In 2021, we initiated an audit to assess the processes and controls over OWCP's medical bill payment data from this system and other OWCP systems that collect, process, and share the data necessary to manage the Workers' Compensation Programs. OWCP was unable to demonstrate the design and effectiveness of its controls over its medical bill payment processes. Based on this, we ended the audit and concluded OWCP's medical bill payment data was of undetermined reliability. Since concluding our testing, OWCP has stated the issues preventing our continued testing have been remedied. As OWCP, its programs, and its stakeholders rely on accurate and complete data from this and other OWCP systems, we decided to follow up on our recommendations and complete our data reliability testing. This audit will assess OWCP's processes and controls to determine the reliability of OWCP's medical bill payment processing data necessary to manage the Workers' Compensation Programs.
- 49. OWCP Pharmacy Benefit Manager (PBM) – New.** In March 2021, OWCP implemented a PBM responsible for pharmaceutical transactions including but not limited to eligibility determinations and pricing for prescription drugs for the FECA program. In FY 2021, FECA provided almost \$3 billion in benefits to more than 183,000 workers and survivors for work-related injuries or illnesses. This audit will focus on how effectively OWCP's PBM reduced opioid-related risks, pharmaceutical costs, and fraud.
- 50. Energy Employees' Claims Denials – In Progress.** From its inception to the end of FY 2020, the Energy Workers program awarded approximately 127,000 claimants' compensation and medical benefits totaling more than \$18.52 billion. One of the major functions of the Energy program is to determine whether an individual qualifies for Part B and/or Part E benefits. As of October 3, 2021, the Energy program had denied 42 percent of claims filed under Part B and 47 percent of claims filed under Part E. This audit will determine the extent to which the program ensured claims followed appropriate guidelines.

Veterans' Employment and Training Service (VETS)

Discretionary Audits

- 51. COVID-19: Effectiveness of Homeless Veterans' Reintegration Program (HVRP) Grants – New.** HVRP is the only federal grant to focus exclusively on competitive employment for homeless veterans. Of all VETS programs, veterans experiencing homelessness were the most difficult population to serve during the COVID-19 pandemic. Many facilities and partner agencies shut down due to the public health emergency. VETS also experienced challenges pivoting to and providing virtual services to this population during the pandemic. This audit will focus on the effectiveness of HVRP meeting the needs of homeless veterans as well as VETS's oversight of the program.
- 52. COVID-19: Jobs for Veterans State Grants (JVSG) Program – New.** The COVID-19 pandemic presented new challenges for VETS in its mission to prepare America's veterans and transitioning service members for meaningful careers; provide them with employment resources and expertise; protect their employment rights; and promote their employment opportunities. Its JVSG program provides individualized career services to veterans with significant barriers to employment, with the maximum emphasis directed toward serving veterans who are economically or educationally disadvantaged. The program also conducts outreach to employers and business associations and engages in advocacy efforts with hiring executives to increase employment opportunities for veterans and encourage the hiring of disabled veterans. The audit will focus on how the pandemic impacted the JVSG program as well as the effectiveness of this program during a health crisis.

Wage and Hour Division (WHD)

Discretionary Audit

- 53. Child Labor Law Violations – In Progress.** The Fair Labor Standards Act of 1938 is the federal law that sets minimum wage, overtime, recordkeeping, and youth employment standards. The Act includes child labor provisions (i.e., laws) to protect the safety, health, and wellbeing, as well as educational opportunities, of working young people. These provisions are enforced by the Department's Wage and Hour Division (WHD). Violations of child labor laws and proposals to

roll back protections are increasing nationwide. For example, in 2022, WHD reported the highest number violations related to minors in hazardous occupations. Concurrently, states appear to be pursuing legislation to reduce child labor protections. Ten states have introduced, considered, or passed legislation rolling back protections for young workers within the past 2 years. This audit will focus on WHD's efforts to curtail child labor law violations and determine the cause for rising child labor law violations.

Multi-Agency

Mandatory Audits

54. Charge Card Risk Assessment – Annual. The Government Charge Card Abuse Prevention Act of 2012 was designed to prevent recurring waste, fraud, and abuse of government charge cards, and requires agencies to implement safeguards and internal controls to reduce these risks. This audit will determine if DOL established controls over its purchase and travel card programs to prevent and detect illegal, improper, or erroneous purchases and payments.

55. Single Audit Compliance, Quality Control Reviews of Single Audit Reports – Annual. We will determine if selected independent auditors complied with the requirements of the Office of Management and Budget's Uniform Guidance, Government Auditing Standards, Generally Accepted Auditing Standards, and if there is a need for any follow-up work.