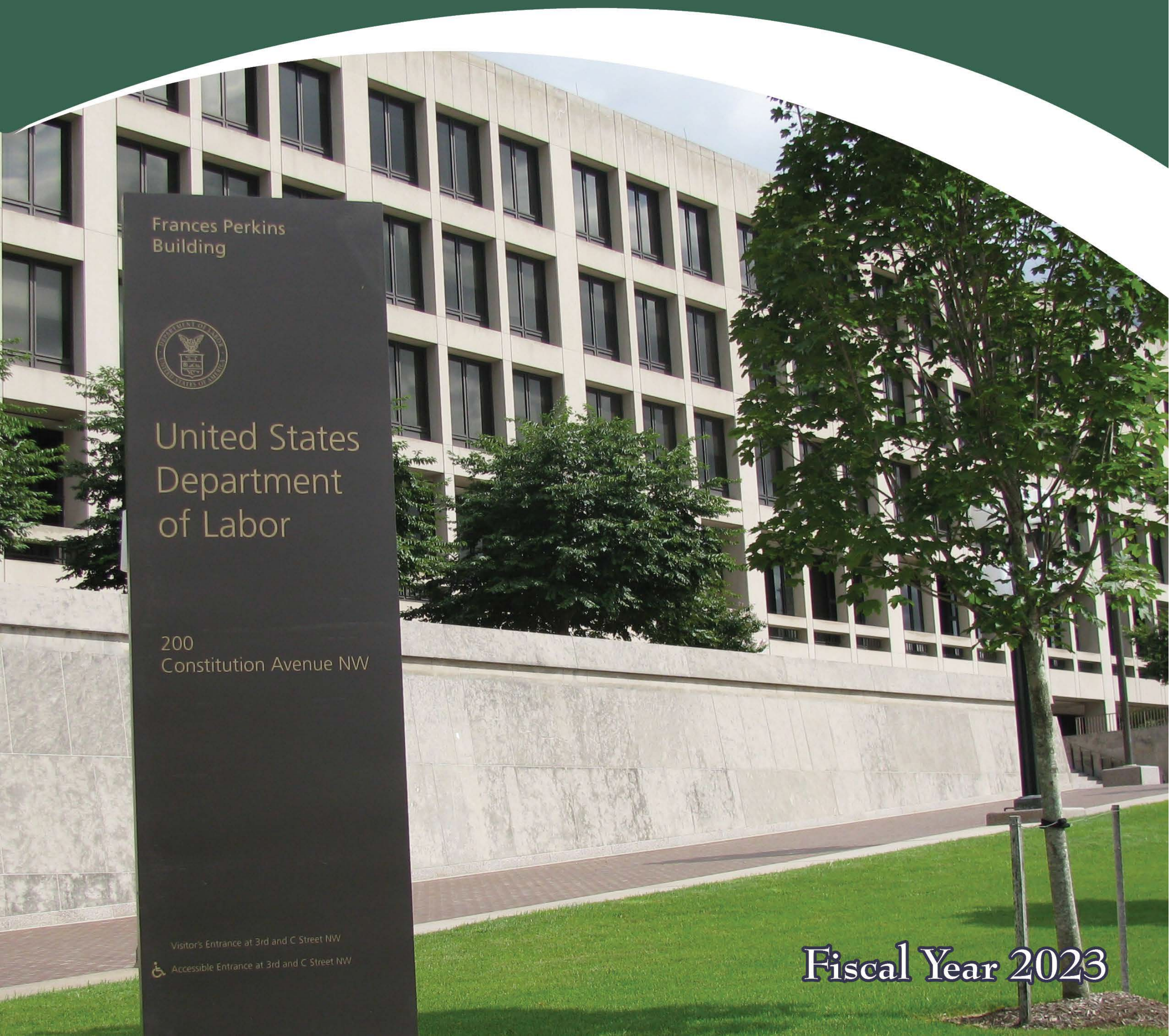
Office of Audit Workplan

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



Fiscal Year 2023

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) 2023. 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 2023. Our audits 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.

Carolyn R. Hantz
Assistant Inspector General for Audit
U.S. Department of Labor

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FY 2023 Audit Workplan

Bureau of Labor Statistics
(BLS)

Discretionary Audit

1. **BLS Survey Response Rate – In Progress.** BLS is the principal federal agency responsible for measuring labor market activity, working conditions, and price changes in the nation’s economy. The President, Congress, federal policymakers, public institutions, and private citizens use the economic information developed by BLS to guide and support decision-making. According to a 2013 study by the National Research Council, “[f]or many household surveys in the United States, response rates have been steadily declining for at least the past two decades.” BLS’s Fiscal Year (FY) 2021 operating plan acknowledges survey response rates have declined over the last few years, and the OIG work to date confirms overall BLS survey response rates have been declining. It is vital for BLS to incorporate new methodologies and technology into its data collection process to ensure expected response rates and reduced respondent burden. A decline in response rates could increase data collection costs and affect data quality, which may result in unreliable economic information developed by BLS. This audit focuses on how efficiently and effectively BLS is able to obtain data necessary to produce the economic information it is required to produce, and if there are other sources to obtain the necessary data.

Benefits Review Board
(BRB)

Discretionary Audit

2. **BRB Backlog of Black Lung and Longshore and Harbor Worker Claims.** The Benefit Review Board (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 for 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

3. **EBSA Enforcement.** During FY 2022, EBSA established health care initiatives to focus limited resources on enforcement actions related to the sustainability and fraud of Multiple Employer Welfare Arrangements (MEWA) and emergency services claims, as well as provisions of the American Rescue Plan Act of 2021, or ARPA (e.g., the continuation of coverage benefits through the Consolidated Omnibus Budget Reconciliation Act of 1985). EBSA enforcement initiatives seek to detect and correct violations of the Employee Retirement Income Security Act of 1974, among other federal law violations, and to obtain relief for those violations. This audit will focus on the effectiveness of EBSA's enforcement

efforts to detect and correct health-related violations, as well as obtaining relief for those violations.

Employment and Training Administration
(ETA)

Mandatory Audits

Job Corps

4. **COVID-19: Job Corps Training Program Performance During the Pandemic.** In March 2020, the COVID-19 pandemic forced Job Corps to quickly shut down its centers and send most of its 29,000 students home. As with most other schools in the United States, Job Corps had not planned for a transition to a distance learning program when in-person instruction abruptly ceased. We previously reported that Job Corps' inability to deliver hands-on training delayed students' progress and completions, noting that no students completed technical skills training from April 2020 to April 2021.This audit will focus on the outcomes for students who received remote learning during the pandemic.

5. **COVID-19: Ensuring Job Corps Funds Were Properly and Efficiently Used during the COVID-19 Pandemic.** In March 2020, during the COVID-19 pandemic, Job Corps shut down 121 centers and sent almost 29,000 students home. From about March 2020 to April 2021, student enrollment plummeted 56 percent, and the number of students who completed trades training also dropped to zero. For FY 2020, Job Corps received approximately $1.7 billion in funding, the same amount as in prior years. While Job Corps allowed centers to use budget underrun funds to purchase supplies and equipment to deploy remote learning and to ensure student and staff safety when it reopened centers, there is a risk all these funds were not used appropriately or efficiently. This audit will review how Job Corps' funds were spent from March 2020 through December 2021.

6. **Job Corps Minor Students.** Job Corps' participants upon entry into the program are ages 16 to 24. The significant age range poses a number of challenges. Given the occurrence of sexual assaults and harassment that occur 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 ensure the safety of, mitigate program disruptions from, and meet the program's intent for its minor students.

Discretionary Audits

ETA Contract and Grant Programs

7. **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, hence potentially preventing them from completing their training and getting a job in the areas in which they were trained. This audit will focus on how effectively ETA ensured these funds were used as intended.

8. **COVID-19: ETA's Administration of Grant Funds Provided under the CARES Act.** ETA obligated more than $15 billion in federal grant funds, of which $345 million was specifically provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Over the past decade, we reported numerous issues with ETA's management of federal grant funds not achieving performance goals and identified upwards of $489 million in grant funds that were inefficiently used. This audit will focus on how effectively ETA ensured these funds were used as intended.

9. **ETA's Administration of Disaster Dislocated Worker Grants.** 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. **Effectiveness of ETA's Permanent Labor Certification Program (PERM) Application Processing Time.** The PERM program is based on the premise that employers will hire foreign workers only when: (1) there are insufficient 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.

11. **Effectiveness of ETA's Approval of H-2A applications.** 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. In order to receive the temporary employees, employers 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 would focus on the effectiveness of ETA's approval process and comparing the self-attestations to supporting documentation.

Unemployment Insurance (UI) Program

12. **COVID-19: Audit of ETA's Oversight of UI Integrity of CARES Act Programs – In Progress.** States are responsible for administering their UI programs while DOL provides oversight and direction for the UI system nationwide. When Congress, through the CARES Act, expanded UI for workers who were suddenly unemployed because of the pandemic, states were already processing a substantial influx in UI claims. States then had to implement three new UI programs, resulting in additional major challenges. Resources stretched, states attempted to pay benefits quickly, and the risk of fraud and increased improper payments rose significantly. As of March 31, 2021, states and territories had drawn down a total of approximately $495.2 billion to administer the new UI programs—98 percent of the total drawdown funding ($505.6 billion) for all CARES Act programs. Over the years, ETA has implemented various program integrity and fraud reduction initiatives; however, these initiatives have offered

only a partial solution. This audit evaluates ETA's role in managing the integrity of the UI programs under the CARES Act, including working with states and partners to identify and share best practices and data to reduce fraud.

13. **COVID-19: DOL's Oversight of Emergency UI Administrative Grants to States – In Progress.** The Families First Coronavirus Response Act provided $1 billion to DOL to provide emergency administration grants to state UI agencies for the administration of their unemployment compensation programs. Administrative resources were critical to delivering an effective UI program that was relied upon by millions of American taxpayers, especially during the pandemic. Funds provided through these emergency administrative grants could only be used for the administration of the UI program and were not available for the payment of UI benefits. This audit focuses on the Department's monitoring of the emergency administration grants and if these funds were accurately tracked and reported, at both the state and federal level.

14. **COVID-19: Audit of States' Information Technology Systems Capability in Processing Unemployment Insurance Claims – In Progress.** From March 28, 2020, to August 1, 2020, unemployed workers submitted more than 57 million initial UI claims and another 502 million continued claims under regular and CARES Act UI programs. Many states and U.S. territories used antiquated information technology (IT) systems—some dating from the 1970s—to process the claims influx and implement the new CARES Act programs. The need for IT modernization had already become apparent during the economic downturn where some states' systems failed completely. In October 2020, the National Association of State Workforce Agencies (NASWA) UI IT Support Center reported only 22 states had modernized their systems. Using outdated IT systems can cause payment delays and can also increase improper payments including fraud. This audit will determine to what extent the capability of states' IT systems impacted their ability to process timely and accurate UI claims.

15. **COVID-19: Audit of CARES Act Impact on Non-traditional Claimants – In Progress.** With the passage of the CARES Act in March 2020, the Department's UI program was expanded to provide emergency UI benefits to workers unemployed due to COVID-19. This included non-traditional claimants, such as self-employed workers, independent contractors, and individuals with limited work histories. While total expenditure of UI benefits approached $500 billion by mid-2021, it is unclear how effective ETA and its state partners have been in delivering this assistance to non-traditional claimants. Our audit will determine if DOL and State Workforce Agencies' efforts ensured non-traditional claimants received UI benefits as intended under the CARES Act and the Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act).

16. **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 situation, 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.

17. **COVID-19: Audit of States' Use of Staffing to Support Implementation of CARES Act UI Programs – In Progress.** From March 2020, the unprecedented high rate of unemployment resulting from the COVID-19 pandemic 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 otherwise 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.

18. **COVID-19: Audit of the Temporary Full Federal Funding Program – In Progress.** Under the CARES Act, the Temporary Full Federal Funding (TFFF) program paid the cost of the first week of an eligible claimant's UI benefits for states with no waiting week. The program also paid the cost of the first week for those who chose to waive their waiting week requirements. This flexibility allowed eligible claimants to receive their benefits quickly and get the much-needed relief to offset the effects of the COVID-19 pandemic. As of July 2021, ETA had provided states more than $6.8 billion through the TFFF program. This audit focuses on DOL's efforts to ensure states met program requirements and used the TFFF program as intended by the UI provisions of the CARES Act, the Continued Assistance Act, and ARPA.

19. **COVID-19: Emergency Unemployment Relief for Government Entities and Nonprofit Organizations – In Progress.** The CARES Act created the Emergency Unemployment Relief for Government Entities and Nonprofit Organizations (EURGENO) program. It provided funds to reimburse governmental entities and certain nonprofits for amounts paid for unemployment

between March 13, 2020, and September 6, 2021. This audit will determine to what extent ETA and states effectively executed the EURGENO program and ensured compliance with the UI provisions of the CARES Act and its amendments.

20. **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 and the state making up the difference in the form of benefit payments. The CARES Act provided for an estimated $2.2 billion for benefit reimbursements and administrative costs. Twenty-seven states have participated in the program and reported benefit reimbursement payments of approximately $1.1 billion as of July 31, 2021. This audit will determine how states implemented the STC program for the benefit of unemployed individuals and to meet the intent of the program.

21. **COVID-19: Mixed Earners Unemployment Compensation – In Progress.** The Mixed Earners Unemployment Compensation (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.

22. **Pandemic Response Accountability Committee (PRAC) – DOL Programs – Case Study Project – 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 Pandemic Response Accountability Committee and is being conducted in coordination with nine other OIGs.

23. **COVID-19: Audit of DOL and States Oversight of UI Claimants Return to Work.** The CARES Act and its related extensions provided additional UI benefits to claimants who lost their employment due to the COVID-19 pandemic. As a result, numerous states ended their participation in the enhanced federal jobless benefits program ahead of its expiration, citing complaints from businesses that claimed they were unable to find workers likely due to financial incentives that caused claimants to refuse suitable employment offers. This audit will focus on

DOL's and states' compliance with return to work provisions under the CARES Act.

24. **COVID-19: ETA and States' Efforts to Address Multistate UI Claimants.** 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 follow up on potentially fraudulent CARES Act UI claims identified and referred by the OIG.

25. **COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Social Security Numbers of Deceased Persons.** 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 follow up on potentially fraudulent CARES Act UI claims filed with SSNs of deceased persons identified and referred by the OIG.

26. **COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Social Security Numbers of Federal Prisoners.** 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 follow up on potentially fraudulent CARES Act UI claims filed with SSNs of federal prisoners identified and referred by the OIG.

27. **COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Suspicious Email Accounts.** 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 follow up on potentially fraudulent CARES Act UI claims filed with suspicious email accounts identified and referred by the OIG.

28. **COVID-19: Impact of Waivers on UI Overpayments, Fraud Investigations, and Recoveries.** 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. **American Rescue Plan Act Equity Grants.** ARPA provided $2 billion in funding to DOL to prevent and detect fraud, promote equitable access, ensure timely payment of benefits, and reduce backlogs. This includes $260 million in grants to improve 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 some states. This audit will focus on DOL's and states' effectiveness in addressing the potential racial and ethnic disparities in the UI program.

Mine Safety and Health Administration
(MSHA)

Discretionary Audits

30. **COVID-19: Impact of COVID-19 MSHA Mandatory Inspections – In Progress.** MSHA conducts certain mandatory inspections to help ensure miners are working in safe environments. Because of workforce limitations during the COVID-19 pandemic, the number and/or quality of mandatory MSHA inspections may have declined, putting miners at risk. Between January and December 2020, MSHA conducted 19,487 mandatory inspections at 12,684 mines. This audit will determine if COVID-19 impacted MSHA's ability to effectively conduct mandatory inspections.

31. **Mine Rescue Response Plan.** 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.

Office of Federal Contract Compliance Programs (OFCCP)

Discretionary Audits

32. **OFCCP’s Enforcement of Equal Employment Opportunity Obligations.** OFCCP is charged with protecting America's workers by enforcing equal employment opportunity and affirmative action obligations of employers that do business with the federal government. 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

33. **COVID-19: OSHA’s Adequacy of Plans and Use of Funds under the American Rescue Plan Act – In Progress.** With increased concern regarding the safety and health of workers during the COVID-19 pandemic, OSHA has received a significant rise in complaints. We previously reported OSHA received 15 percent more complaints from February to October 2020 than during a similar period in 2019. To address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses, on March 11, 2021, Congress passed ARPA. ARPA provided relief to OSHA in the amount of no less than $100 million. This audit focuses on whether OSHA adequately developed plans to use ARPA funds to carry out COVID-19 related worker protection activities, and whether OSHA has controls in place to effectively use ARPA funds to protect workers from COVID-19.

34. **Use of Complainant Interviews in OSHA Complaint Inspections – In Progress.** OSHA conducts approximately 9,000 complaint inspections annually and issues citations in 24 percent of those inspections. Inspectors are not required to interview complainants at any point during the inspection process,

which could result in OSHA having little interaction with complainants and witnesses during complaint inspections. This audit focuses on OSHA's use of complainant and witness testimony during a complaint inspection to ensure the complaint or referral was addressed adequately.

35. **Rising Injury Rates among Online Retailers' Warehouse Workers – In Progress.** High-speed fulfillment of online orders has become the industry standard, with large online retailers promising free 2-day, next-day, and even same-day deliveries of orders. To accomplish such speedy deliveries, warehouses around the nation have been forced to work ever faster, and some have reported increased pressure to meet production quotas. This may be having a significant impact on the health and safety of warehouse workers. For example, injury rates among warehouse workers have skyrocketed, with one organization reporting that injury rates at a leading online retailer are 80 percent higher and also more severe than at other online retailers' warehouses. The State of California recently passed legislation to help protect warehouse workers by empowering state safety regulators to take additional enforcement actions. This audit will review what, if any, actions OSHA has taken to address the rising injury rates and severity of injuries at online retailers' warehouse facilities.

36. **COVID-19: OSHA Future Pandemic Planning Adequacy.** ARPA provides the amount of no less than $100 million for OSHA to conduct worker protection activities concerning COVID-19. The COVID-19 pandemic raised specific concerns about the safety and health of workers. Since the start of the pandemic, OSHA received numerous complaints and requests from Congress and other stakeholders to issue an Emergency Temporary Standard (ETS). OSHA issued numerous pieces of guidance; however, the guidance is not enforceable and cannot operate in lieu of an ETS. OSHA intended to spend a portion of the ARPA funds to provide the necessary staff and technical expertise on the development of an ETS for COVID-19 and a permanent standard on infectious disease standards. This audit will (1) determine if OSHA has plans to issue an ETS covering other high-risk industries, (2) review the effectiveness OSHA's plans for addressing future pandemics, and (3) evaluate other actions OSHA has taken to safeguard workers in high-risk industries during the ongoing pandemic.

37. **COVID-19: OSHA Effectiveness of the National Emphasis Program (NEP).** Due to the COVID-19 pandemic, OSHA received a surge of complaints while garnering the attention of Congress, labor unions, and the media with requests to act swiftly on behalf of the 130 million workers at more than 8 million worksites nationwide whom OSHA is responsible for protecting. OSHA launched the NEP on March 12, 2021, to focus on companies that put the largest number of workers at serious risk of contracting COVID-19, and on employers that engage in retaliation against employees who complain about unsafe or unhealthful conditions or exercise other rights under the Occupational Safety and Health (OSH) Act. The audit will focus on OSHA's efforts to administer the NEP to

ensure employees in high-hazard industries or work tasks are protected from the hazard of contracting COVID-19 and from retaliation.

38. **COVID-19: OSHA Effectiveness of Whistleblower Complaint Corrective Actions.** OSHA received a 30 percent increase in whistleblower complaints during the early months of the COVID-19 pandemic. OSHA enforces whistleblower provisions found in 25 statutes that protect employees from retaliation for reporting unsafe or unhealthful conditions or otherwise exercising their rights provided under the statutes. Prior to the pandemic, OSHA averaged 9 months to close a whistleblower complaint investigation, already much longer than the 30-, 60-, or 90-day statutory timeframes. Potential for even greater delays exist with the significant increase of whistleblower complaints received during the pandemic and decrease in the Whistleblower Protection Programs' full-time employment. These delays can leave workers to suffer emotionally and financially. The audit will focus on OSHA's efforts to implement corrective actions that improve the Whistleblower Protection Program to ensure workers are protected from retaliation.

Office of Labor Management Standards
(OLMS)

Discretionary Audit

39. **OLMS Compliance Program Targeting Strategy.** OLMS conducts audits of labor unions to detect embezzlements and promote compliance with the Labor Management Reporting and Disclosure Act of 1959. OLMS developed a methodology to focus its audit selection on labor unions whose metrics suggest potential criminal activity (e.g. embezzlement from unions). In FY 2009, OLMS established a performance goal to increase the rate at which audits of unions result in the opening of a criminal investigation (the "fallout" rate). In FY 2021, OLMS fell short of its performance goal in this area, achieving a fallout rate of 15.25 percent despite a target rate of 16.75 percent. This audit will focus on the effectiveness of OLMS's targeting strategy in increasing criminal investigations and reducing criminal activity.

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

Mandatory Audit

40. **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 information 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

41. **IT Modernization – In Progress.** IT modernization is critical to preventing security breaches, excessive costs, missed deadlines, and low-quality IT products and services. DOL recently 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.

42. **DOL IT Contingency Planning.** 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. 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 falls to the OCIO staff. Prior FISMA work indicated the OCIO has problems with contingency planning, including not ensuring sufficient backup testing of its systems. With incomplete or impartial contingency planning of such a large number of systems under OCIO responsibility across a variety of agencies and geographic areas, the potential for substantial system downtime or non-recovery of data when a contingency arises is elevated. The lack of availability of DOL systems may 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 direct control.

43. **DOL Wireless Network Environment.** 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.

Office of the Chief Financial Officer
(OCFO)

Mandatory Audits

44. **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, 2023. 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.

45. **Review of DOL's Improper Payment Reporting in the Annual Financial Report – Annual.** In FY 2021, the UI program and Federal Employees' Compensation Act (FECA) reported outlays of $413 billion and $2.9 billion, respectively, with an estimated improper payment rate of 18.71 percent and 2.7 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

46. **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, 2023; 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.

47. **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, 2022.

48. **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, 2022.

49. **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, 2022, through June 30, 2023.

Discretionary Audits

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 denied claims followed appropriate guidelines.

51. **Managing Pharmaceutical Spending in FECA – In Progress.** Recent OIG audit work found OWCP had not done enough to ensure it paid the best price for prescription drugs. Specifically, the audits noted OWCP lacked a pharmacy benefits manager to help contain costs and had not determined if alternative drug

pricing methodologies would be more competitive. This ongoing audit focuses on identifying the major factors influencing pharmaceutical spending in the FECA program, including any impact from the COVID-19 pandemic, and determining if OWCP effectively manages pharmaceutical spending in the FECA program.

52. **PRAC – Telehealth Services in OWCP – In Progress.** During the COVID-19 pandemic, federal health care programs used several strategies, such as telehealth services, so patients could receive medical services where needed, whether at home or elsewhere. This ongoing project with the PRAC will provide information on: the types of telehealth services available across OWCP; potential program integrity risks associated with increased telehealth utilization during the pandemic; and how the pandemic, and resulting expansion of telehealth, affected patient access for a single service type. This PRAC project is being performed in coordination with five other IGs.

53. **OWCP Pharmacy Benefit Manager (PBM).** 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.

54. **OWCP Medical Bill Payment Processing Data Integrity Follow-Up.** 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.

Veterans' Employment and Training Service
(VETS)

Discretionary Audits

55. **COVID-19: VETS Jobs for Veterans State Grants (JVSG) Program.** 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. The 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 VETS JVSG program, as well as the effectiveness of the training program during a health crisis.

56. **COVID-19: Effectiveness of Homeless Veterans' Reintegration Program (HVRP) Grants.** 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 as a result of 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 homeless veterans' needs, as well as VETS's oversight of the program.

Wage and Hour Division
(WHD)

Discretionary Audit

57. **WHD Enforcement Program.** WHD enforces laws that address more than 147.8 million workers with minimum wage, overtime pay, migrant and seasonal protections, prevailing wages on government-funded contracts, and other wage protections. To complement its enforcement efforts, WHD uses a variety of tools to help employers understand their labor responsibilities, for example, issuance of sub-regulatory guidance, compliance videos, outreach events, and the sharing

of information on state and federal agency partnerships. This audit will focus on how WHD has met its enforcement requirements and leveraged its resources between compliance assistance and enforcement activities.

Multi-Agency

Mandatory Audits

58. **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.

59. **Single Audit Compliance, Quality Control Reviews of Single Audit Reports – Annual.** We will determine if selected independent auditors complied with the requirements of the Single Audit Act of 1984 and if there is a need for any follow-up work.